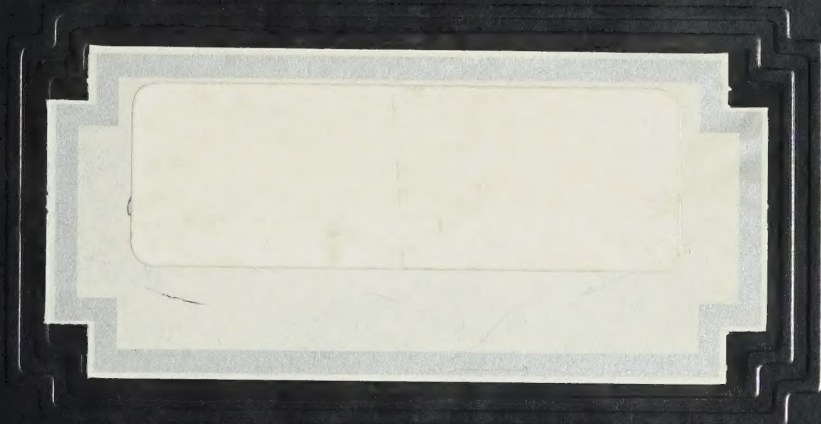


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THE PROGRESS
OF
THE REGIONAL GOVERNMENT PROGRAM
IN ONTARIO

BY
W.H. PALMER
DEPUTY MINISTER

ONTARIO DEPARTMENT OF MUNICIPAL AFFAIRS

OCTOBER 9, 1970

THE PROGRESS OF THE REGIONAL GOVERNMENT PROGRAM IN ONTARIO

Purpose

The purpose of this paper is to provide a brief resume of the progress of the regional government program and of the increasing interest in municipal reform generally which is being shown in Ontario.

Background

The reform of the municipal government structure in Ontario has been underway for a number of years and the reforms have assumed two basic forms:

- (1) Consolidation
- (2) General structural and organizational reform
(regional government)

The first is illustrated by amalgamations and annexations which have brought adjacent areas subject to urbanizing pressures, under the aegis of a single municipal council. The recent amalgamation of Fort William and Port Arthur and some adjacent territory into the new City of Thunder Bay is an outstanding example.

Although consolidation is a reasonable solution in some cases, it is generally not a completely satisfactory solution in the rapidly urbanizing areas of the Province and more major reforms are necessary. The alternative is much broader reform and refers to the general reorganization of the relationship among adjacent local municipalities.

THE UNIVERSITY OF CHICAGO

Chicago, Illinois

The President of the University of Chicago,
The University of Chicago, Chicago, Illinois
Dear Sir:
I have the honor to acknowledge the receipt of your letter of the 10th inst.

Very truly yours,

The Editor of the University of Chicago,
The University of Chicago, Chicago, Illinois
Dear Sir:
I have the honor to acknowledge the receipt of your letter of the 10th inst.

The University of Chicago,
Chicago, Illinois

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This general reorganization to cope with the problems of rapid urbanization was first illustrated by the reorganization of the City of Toronto and its surrounding suburbs into the Municipality of Metropolitan Toronto in January, 1954. More recently new structures and organizations in the Ottawa-Carleton area and the Niagara area have been referred to as regional municipalities, but the basic structural changes in these regional municipalities had previously been proven successful in the Metropolitan Toronto system.

The reform program, therefore is not simply a matter of re-drawing municipal boundaries, but also a matter of clarifying municipal responsibilities in a revised organizational framework. Essentially this municipal reform is not just a boundary problem; it also involves organizational issues.

These reforms have been the necessary response to the impact of the socio-economic forces, generally referred to as urbanization. The recommendations of numerous Provincial Government studies have pointed out the basic lines for reform. The Report of the Select Committee of the Legislature on the Municipal and Related Acts, the Report of the Ontario Committee on Taxation and more specifically the numerous Local Government Reviews sponsored by the Department of Municipal Affairs have made a strong case for reform and suggested solutions to the problems facing municipal government.

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Moreover, many areas of the Province are beginning to recognize that local government as it is presently constituted is not capable of responding to the pressures of urbanization.

The result has been that an increasing amount of interest is being shown in municipal reform...There have been a number of inquiries from municipalities in all parts of the Province and urging from municipal associations to accelerate the reform program. The release of The Toronto-Centred Region Concept has also sparked an interest in local government reform. Many municipalities are concerned (for example, Port Hope and Cobourg) that their present local government structure is not up to meeting the challenge presented by the probable significant future development of the area.

It is important to emphasize at the outset that a great deal of local municipal initiative is required in the review and reform of the local government structure in Ontario. Despite the fact that local government reviews are announced by The Minister of Municipal Affairs, and the reports are transmitted to him upon completion, local people are involved extensively in the review process.

I would now like to refer briefly to each area under review and where changes have taken place before turning to consider some of the more general aspects of the reform program and its implications.

Metro Toronto

In January 1954, on the recommendation of the Ontario Municipal Board, the City of Toronto and the 12 surrounding suburbs were brought together under a two-tier system of government. The metropolitan, or upper-tier government was responsible for major services such as trunk sewer and waterlines, sewer and water treatment plants, major "metropolitan" roads, and borrowing to mention just a few functions. The system was reviewed after ten years by Dr. H. Carl Goldenberg and subsequently changes were made in the structure of government. On January 1, 1967, Welfare Services, Ambulance Services and Waste Disposal were transferred to the Metropolitan Council from the local councils, and amalgamations reduced the number of area municipalities from 13 to 6.

The assessed population of the area in 1969 was 1,916,099.

Ottawa

A local government review was begun in 1964 by Mr. Murray V. Jones in the area of Ottawa and adjacent Carleton County. The Report which was completed in 1965 did not receive general acceptance by the municipalities in the area and consequently, an alternative scheme was put forward by The Minister in 1967. The details of a new system were worked out by an intermunicipal committee of selected members of local councils in conjunction with officials of the Department. The result was a regional government for the area which came into operation on January 1, 1969.

The region is making significant progress in the more efficient handling of its sewage and water. Water rationing is no longer necessary since the outlying municipalities are connecting into the central water trunk system. Moreover, because of the new basis for sharing costs much needed hospital facilities are being built.

In addition, it is fair to say that the cost of borrowing is less for the regional government than would be the case for the small local municipalities if they had to borrow on their own. The regional assessed population in 1969 was 439,540.

Niagara Area

Subsequent to a preliminary study of the area, locally initiated in 1963, the Minister of Municipal Affairs announced a full scale local government review to be headed by Dr. H.B. Mayo. The study covered both Lincoln and Welland Counties and the Cities of St. Catharines, Niagara Falls, Welland and Port Colborne. The Report of the Commission was completed in August, 1966. After the careful study of numerous briefs, a proposal for a regional government was made by the Minister on January 23, 1969. An intermunicipal committee was formed which worked out the details of the new system with Provincial officials. On October 6, 1969, municipal elections were held and the new government went into operation on January 1, 1970.

This was the first regional government, and to date the only one in which representation on the regional council was

selected by both indirect election and direct election. The regional assessed population of the area in 1969 was approximately 336,525.

Thunder Bay

The Lakehead Local Government Review was announced by the Minister in September, 1965, and the Report was completed in March, 1968. After discussions with municipal representatives legislation for the amalgamation of the Lakehead cities was prepared.

This consolidation of Fort William and Port Arthur and adjacent territory into the new city of Thunder Bay came about as a response to the recommendations of the Lakehead Local Government Review. The amalgamation was considered an essential first step to more rational local government in the general area. The new city began operation on January 1, 1970. It has an assessed population of 104,306.

York County

York County stands out, among the areas which have legislation for regional government, by being the only area where a formal local government study by a Commission was not undertaken. As early as March, 1968 York County Council made a submission to the Provincial Treasurer on the recommendations of the Ontario Committee on Taxation. The County requested

that a two-tier unit of regional government be established for the York County Area. This suggestion was followed in December, 1968, by a proposal from the County regarding the administrative structure for the York Region. On April 1, 1969, the Minister responded with a proposal for regional government in the area. A series of meetings between the Department and the Municipalities followed during 1969 and early 1970 culminating in the introduction and passage of Legislation for the York region in June, 1970. The new Regional Municipality of York will assume its responsibilities on January 1, 1971. In the reorganization the number of local municipalities will be reduced from 14 to 9 by means of the consolidation of various areas.

Elections were held Monday, October 5, 1970, and the new regional government will be incorporated on October 13, 1970, with MR. G. Wright as Chairman. Assessed population in 1969 was 149,980.

Muskoka District

The Recreation areas of Ontario face significant problems in the area of pollution and development planning which require a strong municipal structure, if the environment is to be carefully protected. In May, 1967, the Muskoka District Local Government Review was announced by the Minister. This study was completed in July, 1969.

There were subsequent discussions between local municipal councils in the District and officials of the Department and these discussions led to a proposal by the Minister for a new District Municipality of Muskoka. This new government structure will take effect January 1, 1971.

The new District Municipality will receive a grant, the Environmental Development Grant, of \$150,000 per year, for at least five years. This will provide funds for pollution control and planning purposes. In addition, \$50,000 per year will be provided by the Province, for the first five years to assist in defraying the administrative costs of the new regional structure. The reorganization into a new two-tier government structure also involved the consolidation of the 25 local municipalities into six larger units of local municipal government.

Elections were held Monday, October 5, 1970, and the new municipality will be incorporated on October 19, 1970, with Mr. M. A. Tibbett as Chairman. Assessed population in 1969 was 26,469.

It is important to emphasize that according to the strict definition of Regional Government in Design for Development Phase II, Muskoka is not a regional government because of its relatively small population and the area covered.

Peel-Halton

In July, 1965, a review was started to study Peel and Halton Counties. This resulted in the Plunkett Report of September, 1966. The recommendation of the Commission that there be two municipalities, one urban, and one rural, to cover the entire area was rejected by the municipalities in Halton and Peel Counties and finally the Minister made an alternative proposal for a two-tier region to cover Peel-Halton on January 23, 1969. Subsequently, an inter-municipal committee was formed to consider these proposals, but no consensus emerged and as a result the Minister made a statement on March 16, 1970, postponing action on Regional Government in the Peel-Halton area.

Nevertheless, committees of both the Peel and Halton County Councils have been established to give further consideration to regional government in the area and the Department remains hopeful that a meeting of minds will emerge. The question of which way Burlington goes is of course a pivotal consideration.

Brant County

A local committee of Brant County and the City of Brantford elected municipal representatives requested a review in April, 1966. The Department undertook to produce a data book for the review and this was completed in May, 1967. However, no commissioner was appointed, at the request of the City and County.

The local committee established to review the area appeared to make little concrete progress in producing proposals, but renewed interest is being shown as a result of the studies in three adjacent areas and the Minister has before him resolutions of both Brant County and the City of Brantford to establish a local government review.

Waterloo Area

The Waterloo Area Review began in November, 1966, and was completed in March, 1970. During the Review the Commissioner Dr. Stewart Fyfe held Public Hearings for 25 days as well as receiving numerous briefs and submissions from interested citizens and organizations. Subsequent to the release of the Report of the Local Government Review the Minister received a number of briefs and these are currently under study by the Department. In view of a number of other important studies going on in the Waterloo area such as the Waterloo South Wellington Planning Study, the M.O.D.A. analysis and the Ontario Housing Corporation Study of the land assembly area in Waterloo Township and in response to the local request to have more time to weigh them, the deadline for briefs was moved from July 1, to October 1, 1970. While a great number of briefs have already been received, the Waterloo County Area Planning Board has asked for a brief extension to early November. The Board has done a great deal of work in preparing their brief and the Minister did not hesitate

to grant the extensions.

Dr. Fyfe offered two alternatives, among them are a number of wide-ranging recommendations for structural reform. The first to which he gave preference was a re-constituted county, two-city arrangement for which no formal intermunicipal ties were proposed. The second alternative was a two-tier regional government.

Hamilton-Burlington-Wentworth

The Local Government Review was initiated in August, 1967, and completed in November, 1969. Although numerous briefs have been submitted to the Minister since the recommendations of the Review were released, the debate over whether or not to include Burlington in a Hamilton-Centred region is one factor that led to the postponing of the decision to establish a regional government in the two areas. The Report, by Mr. Steele, was clear in its recommendation that the urban area of Burlington should be a city in a two-tiered region involving Hamilton and Wentworth County. It would appear that solutions in both Peel-Halton and Hamilton-Wentworth will eventually be arrived at simultaneously.

Northern Ontario

The Lakehead Local Government Review, of course, did not confine its attention to the problems of the cities of Fort William and Port Arthur. Consideration was also given to the

special difficulties faced in the provision of municipal government institutions and their operation in the territorial districts of Northern Ontario.

The subsequent response to some of the questions raised in the Lakehead Review was the study of Northern Ontario by the Interdepartmental Committee on Government At The District Level in Northern Ontario initiated in September, 1968, and completed in July, 1969.

Because we put great stress on local involvement in local government reform measures it is important to point out that this Report by the Interdepartmental Committee was a Provincial document only. Consequently, a local input is now necessary before any far reaching changes can be made. It should be noted that a number of meetings of local municipal people have been held to discuss the alternatives suggested in the report and more are forthcoming. It is too early to discuss what clear line of reform the local people will wish to adopt.

The presentation of the Policy Recommendations of Design for Development: The Northwestern Ontario Region may help to bring into focus the various problems faced in this area and the adequacy of the municipal system to meet these needs.

Sudbury Area

The Sudbury Area Study was announced in December, 1968, and completed in June, 1970. Done by Mr. J.A. Kennedy, that

Report is now under consideration by both the Province and the local municipalities and citizens. Essentially the report recommends a two-tier regional government with a number of consolidations. The upper-tier as proposed in the report, however, is very limited in its responsibility for functions. The response to the Kennedy proposals by local people is under consideration now as are the comments of the various departments affected.

Haldimand-Norfolk Area

The Haldimand-Norfolk Study initiated in March, 1969 represents a departure from the majority of local government reviews previously undertaken. The basic difference centres on the emphasis given to the planning study. In the case of the Haldimand-Norfolk Study a planning phase, which is expected to be completed by January, 1971, has preceded the local government review. This local government review is expected to take about one year to complete, commencing in January, 1971.

The value of the planning study phase can be readily appreciated. Once the basic future development patterns are determined from a careful study of development trends and the characteristics of the area, the municipal government structure can be examined with future needs in mind and the recommendations can reflect these needs.

An important aspect of the Haldimand-Norfolk Study is the deep involvement of local municipal councillors throughout every stage of the study. Through the Haldimand-Norfolk Joint

Study Committee and its several sub-committees the elected municipal representatives from the various municipalities throughout the area are involved in the planning process. While technical data is gathered and analyzed by professionals under the guidance of the Director of Study, policy alternatives are considered by the elected local representatives through the mechanism of the Joint Study Committee.

We believe that the result of this effort will produce guidelines for the area that are substantially determined by the local people who are responsible for municipal government in the area.

Oshawa Area

The Oshawa Area Planning and Development Study (OAPADS) is the first attempt to unite the activities of a consortium of consultants studying local government structure, land use, economic base, transportation, public services and financial capability. The Province of Ontario has undertaken to pay 3/4 of the approved cost of this study and all of the cost of the regional government study element.

This consortium of consultants is supervised by a study operations committee composed of provincial and local technical personnel. This committee, in turn, is responsible to the executive committee which is composed of local politicians and senior civil servants from the province. The executive committee is chaired by Mayor Desmond Newman of Whitby.

The regional government study is being conducted by Mr. Don Paterson who will study the local government structure, conduct hearings, receive briefs, develop a proposal and present it to the Minister of Municipal Affairs. The regional government report is expected by January, 1971 and holds the key to the future rational economic planning and development of the area.

The recommendations of this regional government study, like those of the Haldimand-Norfolk Study should be based on sufficient information about future development in the area to reflect the requirements of that development in the proposed government structure. Moreover, the representation of elected local councils on the executive committee of the study will provide for effective local participation.

Studies Initiated and Conducted under Local Auspices

A number of studies have recently been initiated locally without any financial support from the Department of Municipal Affairs. This is further encouraging evidence of the increasing interest in local government reorganization. A study has been initiated in the Wellington County and Guelph area, and Oxford County along with Woodstock and Ingersoll are also starting a study. A Study is underway in the Northumberland-Durham area and Cobourg and Port Hope are showing increased interest as a result of the designation of these areas as potential development areas in the Toronto-Centred Region concept.

It is encouraging that there are local governments who apparently do have the initiative and capacity to examine the problems of governing at the local level.

Financial Assistance

The Regional Municipal Grants Act of 1970, replaces the Municipal Unconditional Grants Act in areas with Regional Government and provides additional financial assistance for these areas. The Department has estimated, for example, that the Regional Municipality of Niagara would receive over \$1,300,000 in additional funds under this new arrangement. In addition to statutory per capita grants, The Regional Municipal Grants Act 1970, provides a payment based on the density of households in each area municipality. This density factor is determined by dividing the total number of residential properties by the number of acres in each area municipality. The lower the density factor the higher the grant. In addition, if a regional municipality has established a regional police force an additional grant of \$1.50 per capita is provided.

The municipalities designated to receive aid are those which have taken on a number of major responsibilities for the extension of services which are possible in larger units of municipal government. This is the justification for the added assistance.

Consolidation

The need for more effective municipal units has encouraged the government to promote the consolidation of small municipal areas in areas where regional governments will not be established in the near future. A co-operative approach to the basic issue of the consolidation or amalgamation of small municipalities can be seen as holding more promise than the more

competitive and often bitter annexation procedure.

Implication of the Program for Other Departments

The Department of Municipal Affairs is certainly not the only Provincial Department affected by the municipal reform program. The various departments of the Provincial government are involved in the regional government decision-making process as various issues arise which affect their areas of jurisdictional responsibility.

Police services are a good example of a service affected by the changes. In Muskoka, for example, the towns of Huntsville, Bracebridge and Gravenhurst will no longer have to provide these services since the Ontario Provincial Police will take over the policing function. This change will cost the Province about \$141,000 per year. In contrast, in the new York Region and in the Niagara Region, a regional police force will be responsible for the policing function.

The jurisdiction of the Board of Health for the new York Region will coincide with the boundaries of that region. The former York-Oshawa Health Unit will be dissolved to effect this change.

Larger regional municipalities should be in a position to construct and operate sewer and water installations which are currently beyond the financial capacity of small fragmented municipal government structures.

Hydro-electric power distribution must be reorganized in the face of the new municipal structures and significant boundary adjustments.

These are just of few examples where other Provincial departments and agencies must be involved in decisions affecting the municipal reform program.

Conclusion

It is our hope that the end result of the process of municipal reform and regionalization will result in a more simplified relationship between the Province and its municipalities. The current existence of our 900 organized municipalities in Ontario, a great many of which are extremely small in terms of population and resources, complicates the provincial-municipal relationship and frustrates effective communication between the Province and its municipalities. There are just too many separate units to deal with. The reformed municipal structure, on the other hand should improve Provincial-Municipal relations through more simplified relationships and more adequate professional staff resources at the local level.

It should be specially stressed that the regional government program is not tied to a timetable. The program seeks to deal with various areas of the Province in accordance with the urgency of the problems involved. Each reform is the result of many years of study by the Province and the local

municipalities. There is ample opportunity for citizens and groups to express their views both to the Review Commission and to the Minister. The various Departments and agencies of the Provincial Government are also asked specifically for comments on the reports of the review commissions and, of course, their views are welcomed on local government matters at any time.

If a basic consensus does not emerge from the studies and discussions in a particular area, delays in the implementation of a regional government system can occur. These delays are necessary and they are tolerated because of the importance of having a spirit of co-operation among the people of an area if the new regional government is to be a success. Moreover, the flexible approach and the lack of a timetable enables the program to proceed in those areas where adequate consensus exists instead of coming to a halt because of disagreement in other area.

With the release of the ten regional development analyses and planning concepts the problems and future role of local government in the province will be brought into sharper focus. As local people consider these planning problems and concepts, they will also be asking themselves if they have the kind of local government that can effectively take hold of those concepts and make them work.

This has been a progress report on local government reform generally, and it is no doubt obvious to you that while much has been accomplished, there is a great deal more to be done.

AN ADDRESS BY
THE HONOURABLE W. DARCY MCKEOUGH
MINISTER OF MUNICIPAL AFFAIRS
IN PRESENTING
THE REPORT OF THE COMMISSIONER
SUDBURY AREA STUDY.

SUDBURY, ONTARIO

MONDAY, JUNE 15, 1970

LADIES AND GENTLEMEN:

THANK YOU VERY MUCH FOR COMING HERE THIS EVENING. THE LARGE ATTENDANCE AT THIS MEETING TESTIFIES TO THE CONSIDERABLE INTEREST YOU HAVE IN LOCAL GOVERNMENT FOR THE SUDBURY AREA. INDEED, I BELIEVE THAT LOCAL GOVERNMENT IS INCREASINGLY BECOMING A FOCUS OF INTEREST FOR CONCERNED PEOPLE, AND I AM DELIGHTED THAT THE MUNICIPAL POLITICIANS, OFFICIALS AND PEOPLE OF THIS AREA ARE PLAYING SUCH A LEADING ROLE IN THE EXAMINATION OF LOCAL GOVERNMENT INSTITUTIONS.

AS YOU KNOW THIS KIND OF EXAMINATION IS GOING ON THROUGHOUT MOST OF ONTARIO. THIS YEAR I HAVE HAD THE PLEASURE OF INTRODUCING TWO MORE PIECES OF LOCAL GOVERNMENT REFORM LEGISLATION - THE DISTRICT MUNICIPALITY OF MUSKOKA ACT AND THE REGIONAL MUNICIPALITY OF YORK ACT. THESE LOCAL GOVERNMENT REVIEWS REFLECT FOUR BASIC REQUIREMENTS OF PROVINCIAL-MUNICIPAL RELATIONS: CO-OPERATION, CO-ORDINATION, UNDERSTANDING AND PARTNERSHIP. THESE CRITERIA HAVE ALSO BEEN APPLIED TO THE STUDY OF LOCAL GOVERNMENT IN THE SUDBURY AREA. IN THIS CONTEXT, I WANT TO MAKE IT QUITE CLEAR THAT THIS PARTICULAR LOCAL GOVERNMENT REVIEW IS BY NO MEANS COMPLETED. WHAT I AM MAKING PUBLIC TONIGHT DOES NOT REPRESENT GOVERNMENT POLICY. THERE IS STILL A GREAT DEAL OF SCOPE FOR FURTHER DISCUSSION AND PARTICIPATION BY YOU, THE LOCAL OFFICIALS AND CITIZENS.

WHAT I AM MAKING PUBLIC TONIGHT IS THE CONSIDERED RECOMMENDATION OF A DISTINGUISHED NATIVE OF THIS AREA, OF A MAN WHO HAS MADE A GREAT CONTRIBUTION TO MUNICIPAL AFFAIRS IN THIS PROVINCE. AS CHAIRMAN OF THE ONTARIO MUNICIPAL BOARD, MR. J.A. KENNEDY HAS COURAGEOUSLY UPHELD THE INDEPENDENCE AND IMPARTIALITY OF THAT BODY AS AN ENTITY SEPARATE FROM THE GOVERNMENT OF ONTARIO. HE HAS ALSO APPLIED THESE QUALITIES TO HIS STUDY OF LOCAL GOVERNMENT IN THE SUDBURY AREA.

NOW THAT MR. KENNEDY HAS MADE HIS REPORT TO ME, IT IS YOU, THE MUNICIPAL COUNCILS AND PEOPLE OF THIS AREA WHO WILL PASS JUDGMENT ON IT. AS MINISTER OF MUNICIPAL AFFAIRS, I, OF COURSE, HAVE THE FINAL CONSTITUTIONAL RESPONSIBILITY FOR DECIDING WHAT ACTION WILL BE TAKEN ON THE REPORT. BUT I WANT TO EMPHASIZE THE ELEMENT OF "COMMUNITY ACCEPTABILITY", WHICH IS SUCH AN ESSENTIAL PART OF THESE REFORMS TO LOCAL GOVERNMENT STRUCTURE. I THEREFORE URGE YOU TO VIGOROUSLY PUT FORWARD YOUR REACTIONS TO THIS REPORT OVER THE NEXT FEW MONTHS, SO THAT THE DEBATE ON FUTURE LOCAL GOVERNMENT INSTITUTIONS CAN INVOLVE AS MANY PEOPLE AND GROUPS AS POSSIBLE.

THE NEED FOR A STUDY

THE DISCOVERY OF METALLIC ORES BEFORE THE TURN OF THE CENTURY AND OF CHEAP PROCESSES FOR THE EXTRACTION OF NICKEL, DETERMINED LONG AGO THAT THE SUDBURY AREA WOULD BECOME A GREAT REGIONAL CENTRE.

BUT, AS IN OTHER DYNAMIC AREAS OF THE PROVINCE, GROWTH HAS BROUGHT PROBLEMS AS WELL AS BENEFITS.

THE NICKEL BASIN PLANNING STUDY SHOWED THE NEED FOR LAND-USE PLANNING OVER A LARGER AREA. THE DEVELOPMENT OF REGIONAL SERVICES INDEPENDENT FROM THE MUNICIPAL STRUCTURE POINTED OUT THE INADEQUACY OF THAT STRUCTURE. THE NEED FOR A MORE EFFECTIVE MEANS OF DISTRIBUTING TAX REVENUE FROM MINING OPERATIONS IN THE AREA RAISED FURTHER QUESTIONS. AND THE PARTICULAR ECONOMIC AND GEOGRAPHIC SITUATION OF THE SUDBURY AREA ALSO LED PEOPLE TO ASK IF THE EXISTING MUNICIPAL STRUCTURE WAS ADEQUATE TO DEAL WITH THE GROWTH OF THE AREA, TO PROVIDE SERVICES TO ITS RESIDENTS, TO DISTRIBUTE TAX REVENUE EQUITABLY, AND TO PRESENT EFFECTIVELY THE VIEWS OF THIS PART OF ONTARIO TO THE GOVERNMENT AT QUEEN'S PARK.

IN FEBRUARY 1969, MR. J.A. KENNEDY WAS REQUESTED TO ENQUIRE INTO AND TO REPORT TO THE MINISTER OF MUNICIPAL AFFAIRS ON THE STRUCTURE, ORGANIZATION AND METHOD OF OPERATION OF 23 MUNICIPALITIES IN THIS AREA, AND ON THE POSSIBLE STRUCTURE, ORGANIZATION AND METHOD OF OPERATION FOR LOCAL GOVERNMENT PURPOSES IN 62 SURROUNDING GEOGRAPHIC TOWNSHIPS. I AM PLEASED TO BE ABLE TO PRESENT MR. KENNEDY'S REPORT TO YOU LESS THAN EIGHTEEN MONTHS AFTER IT WAS COMMISSIONED.

THE ATTITUDES OF THE CITIZENS

EARLY IN HIS REPORT, MR. KENNEDY REPORTS ON THE ATTITUDE OF THE CITIZENS OF THE SUDBURY AREA TOWARD HIS STUDY. HE CONCLUDES THAT THE MINORITY CRITICISMS OF WHAT HE WAS ASSIGNED TO DO SEEMED TO MIRROR A CERTAIN MALAISE AND DISSATISFACTION WITH CONDITIONS UNDER EXISTING INSTITUTIONS OF LOCAL GOVERNMENT AND WITH AVAILABLE REVENUES.

HE ALSO CONCLUDES THAT THE BURDEN OF MOST SUBMISSIONS SHOWED A STRONG PREFERENCE FOR A MAINTENANCE OF THE STATUS QUO AS TO MUNICIPAL BOUNDARIES AND INCREASED REVENUES TO PROVIDE SERVICES MORE ON A PAR WITH SOUTHERN ONTARIO.

IN REVIEWING THE VARIOUS ALTERNATIVES FOR REFORM, MR. KENNEDY REJECTS A ONE-TIER SYSTEM OF GOVERNMENT. HE SAYS THAT "AFTER STUDYING THIS AREA IN ALL ITS PHASES AND ALL ITS POTENTIAL FOR ALMOST A YEAR AND A HALF THE COMMISSIONER IS OF THE OPINION THAT AMALGAMATION OF THE AREA EXTENDING FROM BRODER AND DILL ON THE SOUTH TO CAPREOL ON THE NORTH AND FROM CONISTON ON THE EAST TO DRURY AND CARTIER ON THE WEST WOULD ACTUALLY BE IN THE BEST ECONOMIC AND SOCIAL INTERESTS, LONG TERM, OF ALL THE INHABITANTS." BUT HE QUICKLY ADDS THAT "THIS WOULD BE SO DIAMETRICALLY OPPOSED TO THE WISHES OF THE GREAT MAJORITY OF THE PEOPLE CONCERNED AS TO BE UNTHINKABLE."

NOR DOES MR. KENNEDY RECOMMEND THE KIND OF TWO-TIERED REGIONAL GOVERNMENT SYSTEM INTRODUCED ELSEWHERE IN THE PROVINCE BECAUSE THIS FORM OF GOVERNMENT REFORM RECEIVED LITTLE SUPPORT IN THE SUDBURY AREA.

"ONE OF THE ELEMENTS OF THIS OPPOSITION, OFTEN SUBMERGED BUT SURFACING SOMETIMES, SEEMED TO BE A FEELING THAT IN ANY REGIONAL STRUCTURE THE CORE CITY WOULD PREDOMINATE AND THE RIGHTS AND INTERESTS OF THE SUBURBAN POPULATION WOULD SUFFER", MR. KENNEDY WRITES IN HIS REPORT.

"OF COURSE, THIS FEELING IS NOT PECULIAR TO THE SUDBURY DISTRICT", MR. KENNEDY CONTINUES. "FEAR OF THE LARGE, THE POWERFUL IS REALLY A MANIFESTATION OF THE BASIC HUMAN URGE FOR SELF-PRESERVATION. BUT NOWHERE HAS IT APPEARED MORE PRONOUNCED, MORE DEEP ROOTED AND THIS CONDITION, THIS PHENOMENON HAS HAD A MATERIAL EFFECT ON SOME OF THE MORE IMPORTANT RECOMMENDATIONS IN THIS REPORT."

HOWEVER, AFTER CONFERRING WITH THE VARIOUS COUNCILS, HE DID DETECT THAT A CERTAIN AMOUNT OF THOUGHT HAD BEEN GIVEN TO SOME CONSOLIDATION, AND FOUND A THREAD OF SIMILARITY IN THESE GROUPINGS. THESE GROUPINGS DO NOT DIFFER VERY GREATLY FROM THOSE RECOMMENDED IN THE REPORT.

SO, IN VIEWING THE GENERAL DIRECTION OF GOVERNMENT REFORM IN THIS AREA, MR. KENNEDY REACHED THE CONCLUSION THAT SOME MUNICIPAL CONSOLIDATION APPEARED TO BE AS MUCH AS MOST WERE WILLING TO SUPPORT. AT THE SAME TIME, THERE WAS A GENERAL OPINION THAT SOME MEASURE OF REGIONALIZING WOULD HAVE TO COME.

BEFORE OUTLINING MR. KENNEDY'S RECOMMENDATIONS, I WOULD LIKE TO BRIEFLY REFER TO TWO OTHER ASPECTS OF HIS REVIEW.

THE FIRST IS MR. KENNEDY'S EMPHASIS ON THE IMPORTANCE OF PLANNING IN LOCAL GOVERNMENT. HE REMARKS THAT FAR TOO OFTEN THERE IS AN INCLINATION TO EQUATE LOCAL GOVERNMENT WITH THE PROVISION OF SERVICES. HE DESCRIBES THIS AS "A NARROW AND REGRESSIVE CONCEPT". "THE PROVISION OF SERVICES IS VERY IMPORTANT, OF COURSE", THE REPORT SAYS, "BUT IT DOES NOT DOWN GRADE THIS IMPORTANCE TO OBSERVE AND EMPHASIZE THAT THE LEGISLATIVE AUTHORITY OVER PLANNING, LICENSING, BUILDING STANDARDS, TRAFFIC AND REDEVELOPMENT ARE AT LEAST EQUALLY IMPORTANT."

MR. KENNEDY THEN POSES THIS QUESTION: "INDEED WHAT POWER OF THE LOCAL GOVERNMENT CAN BE COMPARED IN IMPORTANCE WITH THE CONTROL AND DEVELOPMENT OF LAND USE?" WHAT WORRIES HIM IS THE ALARMING LACK OF PLANNING IN THE MUNICIPALITIES.

LATER IN HIS REPORT, MR. KENNEDY RETURNS TO THIS THEME AND HE COMMENTS: "PLANNING IS THE KEY AND SHOULD FORM THE HANDBOOK OF LOCAL GOVERNMENT." A PART OF HIS SURVEY OF THE SUDBURY AREA CONSISTED OF RATHER DETAILED EXAMINATION OF EACH MUNICIPALITY AND OF EACH UNORGANIZED TOWNSHIP. MR. KENNEDY WRITES: "THIS SURVEY TOOK SEVERAL DAYS AND THERE WAS NO FIFTEEN MINUTE PERIOD DURING THAT TIME IN WHICH SOME NEW SITUATION OR EXAMPLE DID NOT APPEAR SHOWING A SORRY LACK OF ANY REAL PLANNING. THE LACK OF PLANNING IN THE MUNICIPALITIES IS ALARMING. OF THE 15 MUNICIPALITIES IN THE AREA ONLY SIX HAVE A LAND USE CONTROL BY-LAW...THREE HAVE AN OFFICIAL PLAN AND PARTS OF A FOURTH ARE UNDER AN OFFICIAL PLAN. TEN ARE UNDER SUBDIVISION CONTROL, NINE HAVE A PLANNING BOARD, AND ONLY THE CITY OF SUDBURY HAS A PLANNING STAFF. EIGHT HAVE SOME CONTRACTUAL ARRANGEMENT WITH A VERY COMPETENT FIRM OF PLANNING CONSULTANTS."

A SECOND ASPECT OF THE REVIEW THAT SHOULD BE NOTED IS THAT THE PRINCIPAL RECOMMENDATIONS IN THE REPORT HAVE BEEN DISCUSSED IN ADVANCE WITH MANY OF THOSE VITALLY CONCERNED. IN MANY CASES, MR. KENNEDY SAYS, THE INTENDED RECOMMENDATION WAS MODIFIED AND IN OTHERS CLEARER REASONS FOR THE RECOMMENDATION ARE PRESENTED AS A RESULT OF SUCH DISCUSSIONS. SO, IT APPEARS THAT MR. KENNEDY'S RECOMMENDATION ALREADY HAS ESTABLISHED SOME ACCORD IN THE SUDBURY AREA.

SUMMARY OF RECOMMENDATIONS

MR. KENNEDY RECOMMENDS THE ESTABLISHMENT OF SIX NEW MUNICIPALITIES IN THE SUDBURY AREA - ONE CITY AND FIVE TOWNSHIPS. IT SHOULD BE NOTED THAT THESE SIX NEW MUNICIPALITIES WOULD COVER ONLY A PORTION OF THE STUDY AREA AS DEFINED IN THE ORDER-IN-COUNCIL OF FEBRUARY 1969. THIS AREA - COVERING 1200 SQUARE MILES - CONSISTS OF 15 MUNICIPALITIES AND 14 GEOGRAPHIC TOWNSHIPS. THE CORNERS OF THIS RECTANGULAR AREA ARE HESS TOWNSHIP IN THE NORTHWEST, DRURY TOWNSHIP IN THE SOUTHWEST, CLELAND TOWNSHIP IN THE SOUTHEAST, AND LAKE WANAPITEI IN THE NORTHEAST. THE AREA HAS A POPULATION OF ABOUT 150,000 PEOPLE AND OF THESE CLOSE TO 60 PERCENT ARE IN THE PRESENT CITY OF SUDBURY.

THE NEW MUNICIPALITIES

THE SIX NEW MUNICIPALITIES WOULD BE AS FOLLOWS:

1.. COPPER CLIFF AND THE GEOGRAPHIC TOWNSHIPS OF BRODER AND DILL WOULD BE JOINED TO SUDBURY TO FORM A SINGLE CITY MUNICIPALITY WITH A POPULATION OF 94,000. "COPPER CLIFF", SAYS THE COMMISSIONER, "HAS BEEN AN URBAN COMMUNITY FOR A GREAT MANY YEARS, IS FULLY SERVICED AND IT SEEMS ITS MUNICIPAL OPERATION SHOULD BE INTEGRATED INTO A LARGE URBAN ADMINISTRATION SUCH AS THAT IN SUDBURY." BRODER AND DILL, HE EXPLAINS "ARE IN THE NATURAL PATH OF SUDBURY EXPANSION AND IT SIMPLY MAKES MORE OBJECTIVE MUNICIPAL SENSE TO INCORPORATE THEM INTO THE CITY THAN TO INCORPORATE THEM SEPARATELY."

2. THE TOWNSHIP OF WATERS, THE TOWNSHIP OF DRURY, DENISON AND GRAHAM, AND THE TOWN OF LIVELY WOULD BE UNITED IN ONE TOWNSHIP WITH A POPULATION OF ABOUT 7,500. BECAUSE LIVELY HAS MUCH MORE IN THE WAY OF URBAN SERVICES THAN THE OTHER TWO PARTNERS, THE COMMISSIONER RECOMMENDS THAT URBAN SERVICE AREAS BE ESTABLISHED SO THAT JUST RATES MAY BE WORKED OUT FOR NEW SERVICES AND FACILITIES AS THEY ARE INSTALLED.

3. DOWLING, LEVACK, ONAPING AND THE GEOGRAPHIC TOWNSHIPS OF CARTIER, LEVACK, TRILL, FAIRBANK AND CASCADDEN WOULD BE UNITED IN ONE TOWNSHIP WITH A POPULATION OF ABOUT 8,300. AGAIN THE COMMISSIONER RECOMMENDS THAT URBAN SERVICE AREAS BE ESTABLISHED.

4. BALFOUR AND RAYSIDE, THE GEOGRAPHIC TOWNSHIP OF SNIDER AND THE REMAINING PORTION OF THE GEOGRAPHIC TOWNSHIP OF LUMSDEN WOULD BE UNITED IN ONE TOWNSHIP WITH A POPULATION OF ABOUT 13,200. URBAN SERVICE AREAS WOULD BE ESTABLISHED IN THIS NEW TOWNSHIP.

5. THE TOWNSHIP OF VALLEY EAST, THE TOWN OF CAPREOL, THE GEOGRAPHIC TOWNSHIP OF NORMAN AND THE SOUTHERN HALF OF HUTTON WOULD BE UNITED IN ONE TOWNSHIP WITH A POPULATION OF 17,000. MR. KENNEDY REPORTS THAT "THE TOWN OF CAPREOL MADE ALMOST AN IMPASSIONED PLEA NOT TO BE CONSOLIDATED WITH OTHER UNITS." HE CONTINUES: "AFTER LONG REFLECTION AND ANXIOUS CONSIDERATION THE COMMISSION IS OBLIGED TO ADVISE THAT THIS TOWN SHOULD NOT BE LEFT AS A SEPARATE UNIT, AND CAN BE BLENDED IN QUITE AS WELL AS OTHER UNITS ELSEWHERE IN THE STUDY AREA."

6. NEELON AND GARSON, FALCONBRIDGE AND CONISTON WOULD BE UNITED WITH THE GEOGRAPHIC TOWNSHIPS OF DRYDEN, CLELAND, MACLENNAN AND SCADDING IN ONE TOWNSHIP WITH A POPULATION OF ABOUT 13,000. THE COMMISSIONER INCLUDES MACLENNAN AND SCADDING "TO BRING THE APPROACHES TO LAKE WANAPITEI UNDER MUNICIPAL CONTROL."

A REGIONAL COUNCIL

THE SECOND KEY RECOMMENDATION OF THIS REPORT IS THE ESTABLISHMENT OF A REGIONAL COUNCIL WITH MUNICIPAL JURISDICTION OVER THE ONE CITY AND FIVE TOWNSHIPS IN THE REGION.

IN MAKING THIS RECOMMENDATION, MR. KENNEDY MAKES NOTE OF THE FACT THAT "THERE IS A STRONG AND DEEP SEATED OPPOSITION, ESPECIALLY OUTSIDE THE CITY, TO ANY RESTRUCTURING OF LOCAL GOVERNMENT THAT WILL DEPRIVE LOCAL AREAS OF PROVIDING AND DECIDING ON THEIR LOCAL SERVICES. IN THE CASE OF WATER, SEWERS, LOCAL STREETS, POLICE, FIRE PROTECTION, PARKS AND OTHER DISTINCTLY LOCAL SERVICES, THE COMMISSIONER IS OF THE OPINION THAT FOR THE PRESENT AT LEAST THESE DUTIES SHOULD NOT BE REMOVED FROM THE LOCAL COUNCILS.

"ON THE OTHER HAND, THERE ARE SUBJECTS OF GENERAL AND EVEN COMMON INTEREST TO THE WHOLE AREA WHICH COULD AND SHOULD BE DECIDED AND ADMINISTERED ON A REGIONAL BASIS."

FOR THIS LATTER REASON, MR. KENNEDY RECOMMENDED THE ESTABLISHMENT OF A REGIONAL COUNCIL.

THIS REGIONAL COUNCIL WOULD BE COMPOSED ENTIRELY OF MEMBERS OF THE COUNCILS ELECTED IN THE CITY AND FIVE TOWNSHIPS. THE CITY WOULD HAVE EIGHT MEMBERS ON THE COUNCIL, AND THE TOWNSHIPS NINE FOR A TOTAL OF SEVENTEEN. THE CHAIRMAN OF THE COUNCIL WOULD BE APPOINTED BY THE MEMBERS OF THE COUNCIL FROM THEIR NUMBER AND WOULD HOLD OFFICE FOR A YEAR. THE CHAIRMANSHIP WOULD ALTERNATE BETWEEN THE REPRESENTATIVES OF THE CORE CITY AND THE SUBURBAN AREAS.

THE COMMISSIONER RECOMMENDS THAT THERE BE A CHIEF ADMINISTRATIVE OFFICER APPOINTED BY THE COUNCIL TO ENFORCE THE LEGISLATION IT ENACTS AND TO CARRY OUT ITS POLICIES. HE ALSO RECOMMENDS THAT ELECTIONS BE HELD EVERY TWO YEARS AND THAT THEY COINCIDE WITH SCHOOL BOARD ELECTIONS. MOREOVER HE RECOMMENDS THAT EACH OF THE MUNICIPALITIES BE DIVIDED INTO WARDS " TO ENSURE THAT AT LEAST IN THE TRANSITIONAL YEARS THE ELECTORS IN EACH PRESENT UNIT BEING CONSOLIDATED WILL FEEL ASSURED OF REPRESENTATION."

DUTIES OF A REGIONAL COUNCIL

MR. KENNEDY RECOMMENDS THAT ONLY A LIMITED NUMBER OF RESPONSIBILITIES BE TRANSFERRED TO THE REGIONAL COUNCIL. THE MAJOR ONES WOULD BE:

1. PLANNING -- MR. KENNEDY'S FIRM AND URGENT RECOMMENDATION IS "THAT SOLE AND EXCLUSIVE MUNICIPAL JURISDICTION UNDER THE PLANNING ACT BE GIVEN TO THE REGIONAL COUNCIL." HE SAYS THAT DIVIDING THE RESPONSIBILITY BETWEEN THE TWO TIERS WOULD RESULT "IN CONTESTS AND CONTROVERSIES BETWEEN THE TWO LEVELS OF GOVERNMENT", AND THAT "EFFICIENCY AND THE PUBLIC INTEREST ARE BETTER SERVED BY LEAVING EXCLUSIVE CONTROL OF PLANNING AT THE REGIONAL LEVEL."

HOWEVER, HE IS AWARE OF AND EXPRESSES CONCERN ABOUT THE POSSIBLE "CONTEST BETWEEN THE INTERESTS OF THE LOCALITY AND THE INTERESTS OF THE REGION" AND SUGGESTS THREE SAFEGUARDS TO PROTECT LOCAL INTERESTS.

THE FIRST IS THAT THE REGIONAL COUNCIL WILL BE COMPOSED OF LOCAL COUNCIL MEMBERS.

THE SECOND IS THAT THE PLANNING STAFF COULD BE DIVIDED INTO DEPARTMENTS STUDYING AND REPORTING ON DIFFERENT PARTS OF THE AREA. MR. KENNEDY SUGGESTS THAT THIS MIGHT EVEN BE CARRIED TO THE EXTENT OF HAVING BRANCH PLANNING OFFICES IN EACH LOCAL MUNICIPALITY OR AT STRATEGIC LOCATIONS IN THE AREA.

THE THIRD SAFEGUARD WOULD BE TO PROVIDE A RIGHT IN EACH LOCAL COUNCIL TO OBJECT TO ANY DECISION IN PLANNING BY THE REGIONAL COUNCIL OR TO REQUEST ACTION WHERE THE REGIONAL COUNCIL HAS NEGLECTED OR REFUSED. THIS APPEAL COULD BE TO THE MINISTER OR THE ONTARIO MUNICIPAL BOARD.

THE QUESTION OF WHETHER THERE SHOULD BE A PLANNING BOARD SHOULD BE DETERMINED BY THE STATUTE OR MIGHT BE LEFT TO THE COUNCIL, MR. KENNEDY SUGGESTS. HIS PERSONAL OPINION IS IN FAVOUR OF A BOARD BUT ONLY WITH THE POWER TO ADVISE AND SUBJECT TO TWO SPECIFIC PROVISIONS. ONE IS THAT MEMBERS OF THE REGIONAL COUNCIL SHOULD NOT BE ELIGIBLE FOR MEMBERSHIP ON THE PLANNING BOARD. THE SECOND IS THAT MEMBERS OF THE COUNCIL SHOULD BE PROHIBITED BY STATUTE FROM APPEARING BEFORE OR MAKING REPRESENTATIONS TO THE PLANNING BOARD. HIS REASONING IS BASED ON THE CONTENTION THAT IF THESE PROVISIONS DO NOT EXIST THE ADVISORY VALUE OF THE BOARD WILL BE UNDERMINED.

2. BUILDING STANDARDS -- THE COMMISSIONER RECOMMENDS THAT BUILDING STANDARDS, THE BUILDING BY-LAW AND THE ISSUE OF BUILDING PERMITS ALSO BE THE RESPONSIBILITY OF THE REGIONAL COUNCIL. HE STATES THAT IN THE NORTH, "MORE SOPHISTICATED BUILDING STANDARDS AND MINIMUM REQUIREMENTS ARE NATURALLY REQUIRED AND THIS IS BEST SERVED IF DETERMINED AND ADMINISTERED BY AN AREA AUTHORITY."

3. LICENSING -- MR. KENNEDY RECOMMENDS THAT THE POWER OF LICENSING TAXICABS AND OTHER BUSINESSES AND PROFESSIONS SHOULD BE TRANSFERRED BY STATUTE TO THE REGIONAL COUNCIL OR ADVICE COULD BE OBTAINED FROM THE APPROPRIATE PROVINCIAL AUTHORITY AS TO ANOTHER ACCEPTABLE SOLUTION. HE COMMENTS THAT "IT MIGHT WELL BE THAT SUCH LIMITED POWERS COULD BE LEFT WITH THE POLICE COMMISSION IN THE CITY AND REPOSED IN THE LOWER-TIERED COUNCIL IN THE FIVE TOWNSHIPS."

4. HEALTH AND SOCIAL AND FAMILY SERVICES -- MR. KENNEDY RECOMMENDS "THAT THE RESPONSIBILITY FOR WELFARE ASSISTANCE IN THE CITY AND IN THE AREA NOW ADMINISTERED OUTSIDE THE CITY BE PLACED UNDER A SINGLE AUTHORITY." HE RECOMMENDS THAT OTHER AUTHORITIES ADMINISTERING SERVICES IN THIS CLASS NOT BE DISTURBED, BUT ADDS THAT THE REGIONAL COUNCIL BE GIVEN THE RESPONSIBILITY OF APPOINTMENT AND ANY OTHER DUTIES, INCLUDING TAXATION, IN RESPECT OF THESE AUTHORITIES AND THE SERVICES THEY ADMINISTER. REGULATIONS OR STATUTES MAY REQUIRE MINOR AMENDMENT TO ACCOMPLISH THIS.

5. CAPITAL BORROWING -- HE RECOMMENDS THAT LONG TERM CAPITAL BORROWING BE THE RESPONSIBILITY OF THE REGIONAL COUNCIL, AND THAT "RETURNS AS TO DEBT AND ASSESSMENT AND FIVE YEAR CAPITAL FORECASTS REQUIRED BY THE ONTARIO MUNICIPAL BOARD SHOULD BE ASSEMBLED BY THE REGIONAL COUNCIL AND SUBMITTED AS ONE APPLICATION FOR QUOTA ALONG WITH THAT OF THE REGIONAL COUNCIL ITSELF."

MR. KENNEDY COMMENTS: "IN THESE DAYS OF TIGHT MONEY AND HIGH INTEREST RATES, A MUNICIPALITY WITH A BROADER TAX BASE WILL BE MORE LIKELY ABLE TO BORROW TO ADVANTAGE. ALSO CAREFUL FORECASTING IN ADVANCE OF CAPITAL NEEDS CAN ONLY ENURE TO THE BENEFIT OF THE MAN WHO PAYS ALL THE BILLS, THE TAXPAYER."

6. ROADS -- THE COMMISSIONER RECOMMENDS THAT AT THE START RESPONSIBILITY FOR ALL ROADS REMAIN WITH THE LOWER TIER COUNCILS, BUT THAT THE REGIONAL COUNCIL PRODUCE A STUDY IN CONJUNCTION WITH THE DEPARTMENT OF HIGHWAYS UPON WHICH A DECISION COULD BE MADE BY THE COUNCIL AS TO WHICH ROADS SHOULD BECOME A REGIONAL RESPONSIBILITY.

7. TAXATION -- THE COMMISSIONER RECOMMENDS THAT REVENUES NECESSARY TO MEET THE REGIONAL COUNCIL'S BUDGET SHOULD BE APPORTIONED AND REQUISITIONED FROM THE CITY AND FIVE TOWNSHIPS AS IS DONE IN THE CASE OF OTHER REGIONAL COUNCILS ESTABLISHED IN THE PROVINCE.

CONCLUSION

THESE, THEN, ARE THE MAJOR RECOMMENDATIONS IN THE REPORT ON THE SUDBURY AREA STUDY. MR. KENNEDY ALSO MAKES A NUMBER OF RELATED RECOMMENDATIONS.

HE SUGGESTS THAT THE TWO EXISTING CONSERVATION AUTHORITIES - THE JUNCTION CREEK CONSERVATION AUTHORITY AND THE WHITSON CREEK CONSERVATION AUTHORITY - BE AMALGAMATED. HE NOTES THAT THERE DOES NOT APPEAR TO BE ANY OBJECTION TO THIS FROM THE MEMBERS OF THE AUTHORITIES OR FROM THE PROVINCIAL DEPARTMENT CONCERNED.

REGARDING HOSPITALS, MR. KENNEDY RECOMMENDS THAT THE MUNICIPAL SHARE OF THE CAPITAL COST OF HOSPITALS BE MADE THE RESPONSIBILITY OF THE REGIONAL COUNCIL.

REGARDING UNORGANIZED TERRITORY, MR. KENNEDY RECOMMENDS THAT PERMITS FOR DEVELOPMENT AND LAND USE BE PLACED IN THE HANDS OF A SINGLE AUTHORITY ADMINISTERED BY ONE OFFICIAL. HE NOTES THAT A CONSIDERABLE PART OF THIS TERRITORY WILL BE BROUGHT UNDER MUNICIPAL CONTROL IF THE RECOMMENDATIONS OF THIS REPORT ARE ADOPTED. BUT AS DEVELOPMENT PROCEEDS, IT IS TO BE EXPECTED THAT THERE WILL BE PRESSURE FOR DEVELOPMENT ON LAND IN UNORGANIZED TERRITORY.

"A THEME RECURRING AGAIN AND AGAIN IN DISCUSSIONS WITH OFFICIALS AND INDIVIDUALS WAS A LACK OF OVERALL CONTROL OF DEVELOPMENT IN UNORGANIZED AREAS." MR. KENNEDY BELIEVES HIS RECOMMENDATION WOULD SOLVE THIS PROBLEM.

IN LOOKING TO THE FUTURE, MR. KENNEDY SAYS THAT THE CONSOLIDATIONS RECOMMENDED "ARE URGENTLY NEEDED AND WILL BE MORE READILY ACCEPTED" THAN THE IMPOSITION OF A REGIONAL GOVERNMENT. "TO IMPOSE EXTENSIVE REGIONAL GOVERNMENT AT THE SAME TIME MIGHT BE GOING TOO FAR TOO FAST."

HE FEELS THAT THE PROBLEMS RESULTING FROM CONSOLIDATION, SUCH AS COST SHARING, ESTABLISHMENT OF SERVICE AREAS, NEW POLICIES, AND RELATIONSHIPS WITH THE REGIONAL COUNCIL, WILL BE A STOUT CHALLENGE TO THE NEW COUNCILS. BUT SOLVING THESE PROBLEMS WILL BRING BETTER GOVERNMENT.

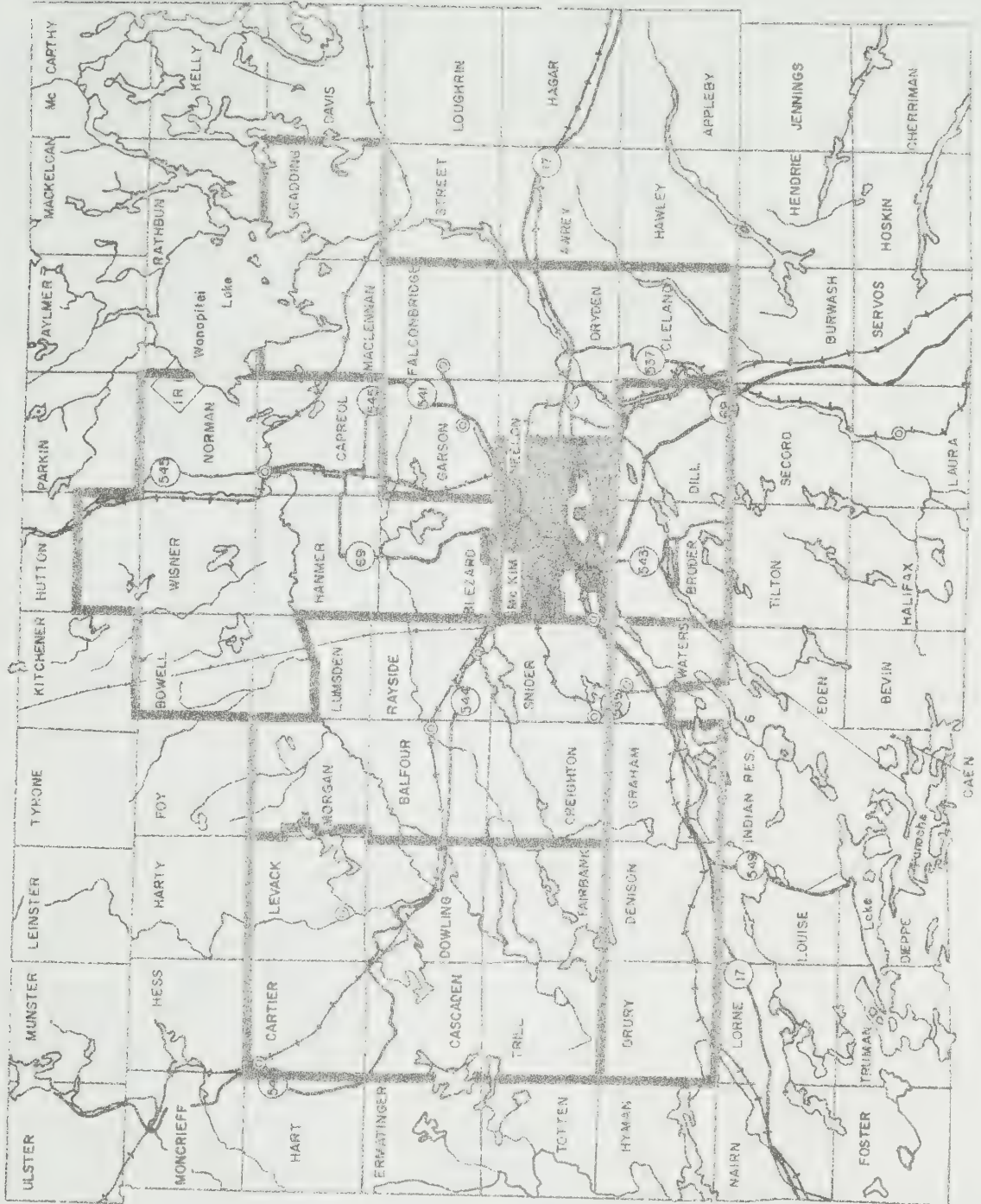
A NEW ELECTION AT THE END OF TWO YEARS WOULD ALLOW THE COUNCILS TO PRESENT THEIR ELECTORATE WITH PLANS AND PROGRAMS FOR FURTHER CHANGES IN MATTERS OF LOCAL GOVERNMENT.

MR. KENNEDY THEN SUGGESTS THAT, AFTER THIS SECOND ELECTION, THE COUNCILS, THE NORTHERN AFFAIRS BRANCH OF THE DEPARTMENT OF MINES, AND THE DEPARTMENT OF MUNICIPAL AFFAIRS BEGIN TO PREPARE SUBMISSIONS FOR A FURTHER REVIEW. HE RECOMMENDS THAT AT THE END OF THREE YEARS, CONSIDERATION BE GIVEN TO THE COMMISSIONING OF A FURTHER STUDY.

I BELIEVE THAT THIS KIND OF CONTINUING RE-EXAMINATION OF LOCAL GOVERNMENT STRUCTURES WILL BECOME THE STANDARD PRACTICE IN THIS PROVINCE.

SUDBURY AREA STUDY

proposed municipal boundaries



Scale: 1 inch = 8 miles

ADDRESS BY

THE HONOURABLE W. DARCY MCKEOUGH

ANNOUNCING THE INCORPORATION

OF THE

CITY OF TIMMINS-PORCUPINE

Mayor Del Villano, Reeve Tremblay, Reeve White, Reeve James, members of the Councils and staff of Timmins, Mountjoy, Tisdale and Whitney, ladies and gentlemen:

It is a pleasure for me to be with you tonight to announce legislation for the reorganization of local government in the Timmins-Porcupine area. I think it is a challenging plan, one that will take great municipal co-operation and good-will to result in the maximum benefit to the residents of the Timmins-Porcupine community. Our presence here tonight in the McIntyre Community Centre, because these buildings are an example of co-operation among Tisdale, Whitney and Timmins, suggests that the people of this community can work together for greater results when they are united in their efforts. From the reports, letters and submissions that I have received, I am convinced that the time has arrived to end the artificial boundaries that have divided this community into separate municipalities. I will suggest to you that by uniting this community under a single elected and representative council, it is possible to create a local government that can take action to meet local conditions in the whole area. It is my hope that such a council will give all Porcupine area residents a way to decide themselves on the many local questions that affect their daily lives.

This is an important goal for local self-government everywhere in northern Ontario. I would like to see the influence of the provincial government reduced; and the influence of my own Ministry reduced, in determining policies for essentially local matters that are of great concern to you locally. I do not mean that the Province should abandon its responsibility for those programs that have a broad impact on all of Ontario. I am talking about those every-day matters such as the location of a new subdivision or shopping centre that end up in Toronto for a decision. I am sure that the residents of this community are in a much better position to decide these matters. But, before efforts can be made to give these responsibilities to local government, municipalities must be equipped with the planning policies and attitudes reflecting the needs and resources of the whole community. And I think that no one in this room tonight would honestly argue that they are not part of a single community with their neighbours in Timmins, Mountjoy, Tisdale or Whitney.

At the same time, I recognize that not all municipal representatives in this area share my conviction that a single municipal council is the best way of ensuring better and stronger local administration. I ask these people to look elsewhere in northern Ontario at the successful experience with consolidation in North Bay, Sault Ste.

Marie and most recently, Thunder Bay. There was, initially, a great deal of opposition to municipal reform in Thunder Bay. When I presented my proposal for amalgamation of the Lakehead in January of 1969 I recognized that the provincial government would have to become directly involved in these major consolidations. Before that time, many of these questions were left to the Ontario Municipal Board to resolve. But, I think that we must be prepared to take direct action if provincial objectives for a strong and responsive system of local government in the North are to be accomplished. In this way, residents of the North will be equipped with their own political institutions to establish and accomplish their local objectives. The amalgamations that I have referred to have been successful. They have not resulted in uncontrolled costs. They have resulted already in some needed community projects of wide benefit that were unattainable under the old system of many individual and unco-ordinated councils.

The councils that are opposed to consolidation have not argued that change in local government here is unnecessary. They have recognized in their submission the need for some group to be concerned with the overall needs and problems of the Porcupine community. I cannot agree that it is appropriate to appoint members to such a board as they have suggested. If this body is to make decisions for the

good of the entire community, I maintain that it is essential for the residents to have the direct means of holding to account those people who make decisions on their behalf in the community. I can imagine no more effective means of ensuring responsible local government than regular municipal elections.

In this sense, I agree with the recommendations of the study done by Ross, Pope and Company. It is my intention therefore to introduce legislation at this session of the Legislature to create a new municipality of 42,000 population which will cover much of the area originally identified in that study. To be precise, the Town of Timmins, the Townships of Mountjoy, Tisdale and Whitney and the twenty-four geographic townships in the surrounding unorganized territory will be incorporated as a new city. For the present, the municipality will be known as the City of Timmins-Porcupine. At the first election for council of the new city, several different names will be selected locally and placed on the ballot. The residents of the area will then be able to choose a name for the new city that has the greatest support locally.

I have departed from the original recommendation to include 31 geographic townships as this proposal involved 7 townships in the District of Timiskaming. Changing the district boundaries would involve changes in the land titles offices and the administration of justice

that do not appear warranted at this time.

Some may have noted that I have further departed from the recommendations of the consultant's report in that I propose city status for the new municipality. In northern Ontario, where no system of county councils exists, the difference between the designation of city or town has all but ceased to exist. I am proposing therefore that the designation "city" be attached in keeping with the status of the other major communities such as North Bay, Thunder Bay, Sault Ste. Marie and Sudbury.

I have in mind other changes in the consultant's report that will bring the new city closer to the design for effective local government in Ontario. I am referring to those parts of the report that call for the retention of numerous independent and appointed boards and commissions to administer local public facilities. As I have stated already tonight, if Council is to be held responsible for the effective direction of the community, it must be directly and observably responsible for the local public facilities of that community. I therefore will propose that the Legislature reduce, wherever possible, the number of independent commissions that exist in the City. I appreciate the concern of the authors of the consultant's report for the effective control and management of municipal works through the application of sound accounting

principles. But, I am not convinced that this requires the creation of separate special purpose boards and commissions in which the responsibility for the management of these works is vested. Therefore, the legislation will not provide for a board of control and it will stipulate that such responsibilities as planning, community centres and recreation, waterworks and public utilities will be the direct responsibility of council without an intervening board or commission. In this I do depart from the recommendation of the Ross, Pope and Company study.

I would now like to review the elements of a plan for reorganization that I intend to recommend to the Legislature. I wish to maintain enough flexibility in this plan so that the present councils can make some important decisions on the future political organization of the new city.

The mayor will be elected by general vote of all the eligible electors in the city municipality. In addition to the mayor, the council will consist of 14 aldermen who shall be elected by wards. The first election will be moved ahead from December to the first Monday in October (October 2). This will give the new council an opportunity to establish its administration before it assumes complete responsibility on January 1st, 1973. On the 31st day of December 1972, all of the existing municipalities, that is the town and the three townships; along with the existing local roads boards and the statute labour boards in the area will be

dissolved and will cease to have any responsibility for local government or services in the area.

Prior to the new election date, ward boundaries, nomination meetings, the preparation of voters' lists and any other matter necessary for the first election will be provided for by Order-in-Council. Members of the staff of the Department of Treasury, Economics and Intergovernmental Affairs will meet with councils and staff of the existing municipalities to ensure that the new ward boundaries give equitable representation to residents of all areas of the city. I am not convinced that this can be accomplished by simply defining all of the previously unorganized territory as a single ward of the new city. I appreciate that the population of the unorganized area is about the same as that of either Mountjoy or Whitney and that equal representation appears equitable at first glance. However, when one considers that the unorganized area now surrounds the existing municipalities, and the system of highways connecting the various parts of this territory all must go through the present Town of Timmins, it appears that a single councillor attempting to represent this entire area would be engaged in altogether too much travelling. We could consider election at large for all members of council. This may be asking for too great an adjustment all at one time to the new boundaries and I suspect that this is

unacceptable at present to the municipalities. Alternatively, the ward boundaries for the first election could be defined to ensure that two representatives for most of the presently unorganized area are elected; one for the east and one for the west sectors of the area. Although it would be my intention to see that the new wards represent as nearly as possible the existing jurisdictions - at least for the first election, an equitable system of ward boundaries may require that we depart on occasion from the present boundaries. The council of the new city will be composed as follows:

- 1 Mayor elected at large
- 7 Aldermen elected from wards in Timmins
- 1 Alderman elected from the Mountjoy ward
- 3 Aldermen elected from the Tisdale ward
- 1 Alderman elected from the Whitney ward
- 2 Aldermen elected from wards defined for
the geographic area of the unorganized
townships

The Porcupine Planning Area will be dissolved with the creation of the city and council will assume the full responsibility of the planning board for the whole area. I wish to point out that it will still be possible to obtain the advice of private citizens in such areas as parks, recreation or planning by advisory committees or by co-opting individuals to council committees. The existing subsidiary planning boards for the individual municipalities will also be dissolved, but the official plans will be maintained in force until altered or repealed by council.

Similarly, the present by-laws of the Town of Timmins and the Townships of Mountjoy, Tisdale and Whitney will remain in force in their respective areas until altered or repealed by the new council.

After January 1st, 1973, it will be necessary to appoint a new library board for the city. The existing library boards will be dissolved and their assets and liabilities will become the assets and liabilities of the new library board.

As has been the case in other areas where legislation has been used to effect reforms to the system of local government, provisions will be included to protect the employment of the present municipal staff.

The terms of the consolidation will guarantee an offer of employment for the year 1973 to all employees at a salary no less than they were receiving at a stipulated date in 1972. Similarly, fringe benefits in the form of sick pay, holiday credits and pension rights will be protected.

All of the assets and liabilities of the Town of Timmins and the Townships of Tisdale, Mountjoy and Whitney become assets and liabilities of the new city on the 1st day of January 1973 without compensation. However, the ratepayers of any municipality that has accrued a substantial operating surplus or deficit at the 31st day of December 1972 will receive the benefit or be responsible for the charge of such a surplus or deficit.

In the new city, provisions will be required to allow for the differing levels of services between the Town of Timmins, the organized and incorporated townships and the geographic townships that are part of the surrounding unorganized territory. For the particular services of sewage collection, land drainage, garbage removal, street lighting and water supply, it will be possible for the new city, with the approval of the Ontario Municipal Board, to adopt a system of area rating. In this way owners of properties in the new city where these services are not immediately available would not have to pay for them, but as the services are extended and made available, the appropriate taxes could become payable.

Legislation will provide for a system of transitional adjustments to safeguard the interests of the taxpayers. For this purpose the identity of each former municipality is preserved by describing it as a "merged area". Each former municipality can then be treated separately and a special transitional tax rate can be applied. This transitional adjustment would prevent any severe increase in taxes in any particular area. Any such adjustment will be calculated by the Minister annually during the transitional period so that it can develop in accordance with local circumstances during the first five years of the new city.

The assessment of each merged area will be equalized by the Ministry of Revenue. The general expenditure of the city, that is those expenditures which are not area rated, will then be apportioned so that the benefit of commercial and residential assessment is shared by all the taxpayers of the city.

As the new municipality will be given the status of a city, its responsibilities and duties will be governed by the general legislation of the Province. It will not be necessary therefore to include a large number of provisions in special legislation to define the operation of the municipality. In two areas, police and fire, my Ministry will provide what technical assistance it can to ensure that agreements for the provision of services meet the requirements of the new municipality. Under the Police Act, it may be possible to obtain the continuing service of the Ontario Provincial Police for protection in the outlying areas of the municipality. This may be required on a transitional basis at least to permit council to phase in the assumption of responsibilities in the larger area. Provision already exists in legislation, if required, to allow council to area-rate police service costs with the approval of the Ontario Police Commission.

Roads that are now administered by statute labour boards or local roads boards will become the responsibility of the new council. In one case, part of a road administered by a local roads board will be outside of the new

municipal corporation. The city will be responsible for agreements with the affected property owners for the maintenance of this section. The Ministry of Transportation and Communications has been advised of these changes and they have expressed their intention to assist in the fair transfer of jurisdiction for these roads.

It should not be expected that the incorporation of the large area of unorganized territory into the new city will result in the immediate development of services to this area. I will be cautioning the new council to proceed carefully and exercise control over the extension of services to protect the sound financial position of the community. I think it is important to include the surrounding territory in the new municipality to ensure that the rate of development and servicing is controlled in line with the municipality's capacity to finance new programs. As I have explained the financial provisions of legislation to create a new city must protect the residents of the outlying area from taxation for services which are not being received.

The report by Ross, Pope and Company has been studied in my Ministry. There is general agreement with the report's findings on the effects of the consolidation on the financing of the municipality. It is indicated that the area will benefit somewhat from higher payments under the Municipal Unconditional Grants Act. Amendments

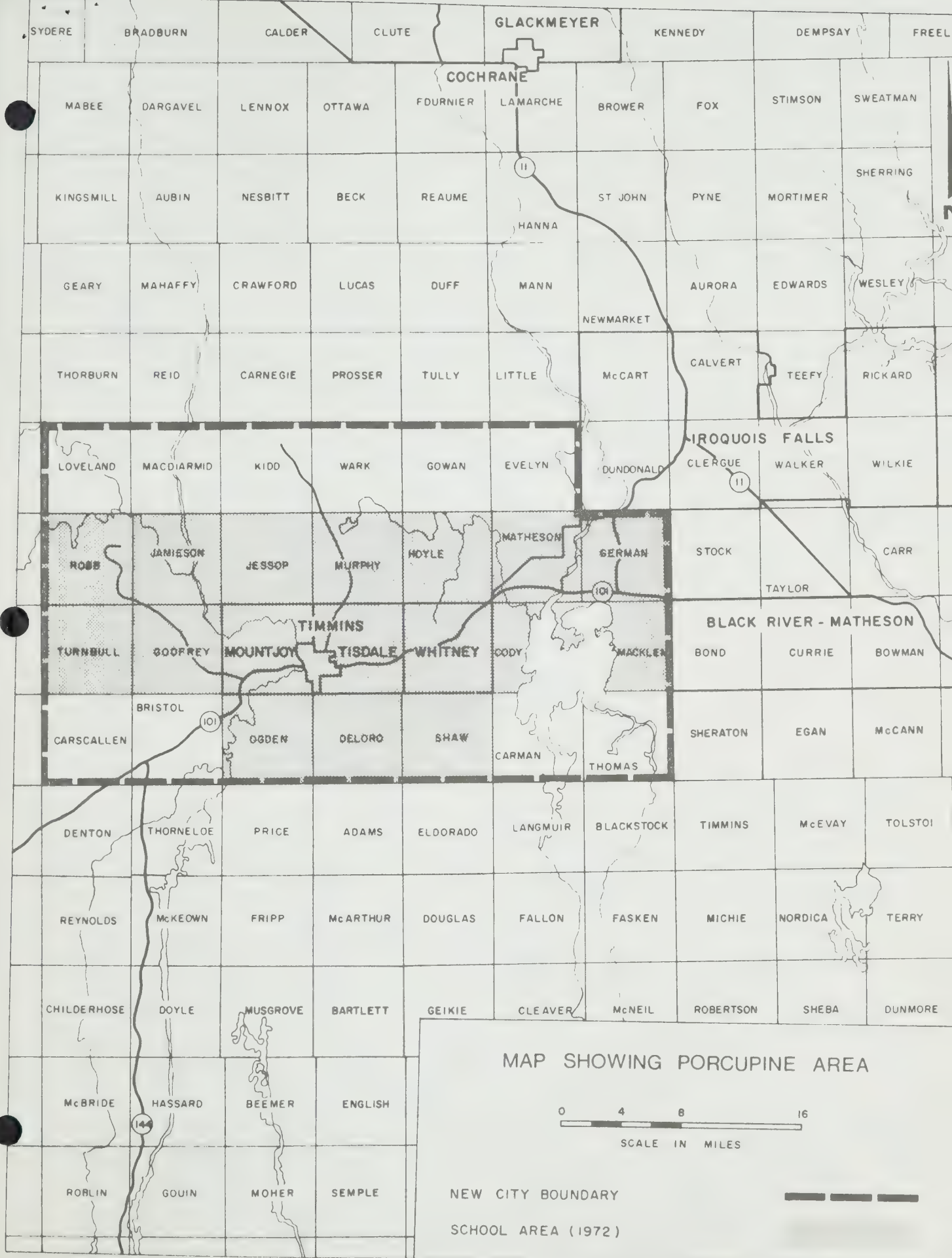
to this Act at the present session of the Legislature include a provision for additional unconditional grants to municipalities providing police protection. The new municipality will qualify under the terms of this amendment. It appears that the additional revenue available to a consolidated municipality through changes in mining revenue payments will be somewhat higher than that forecast in the consultant's report.

In the reform of local government program it has been a policy to assist the municipalities in changing to the new structure of local government. Such assistance has been paid towards the cost of the first election and the interim cost of the new council during the period between the election and full municipal operation at January 1. In addition, both technical and financial assistance will be available from the provincial government to establish a new administration and financial system for the consolidated municipality.

As it is intended that the new City of Timmins-Porcupine play an expanded role in the planning for the development of this area of northern Ontario, it is my intention to recommend that provincial assistance be extended to the municipality to develop a new official plan. The existing official plans of the four municipalities are becoming out of date and the frequency of minor

amendments is increasing. The development of a new comprehensive plan for local government activities should be a first priority of council and the Province will be prepared to assist in this regard.

I have a great deal of optimism for the success of a new city in this area. I recognize that this is a challenging task to be met by the Province and the municipalities in co-operation. In many ways, the reform of local government in northern Ontario is more important than elsewhere in the Province. The distances between communities in the North and the distance to the provincial government in the South make strong local governments essential for the development of greater opportunity in the North. This year, these changes for both the Sudbury and Porcupine areas, mean that all of the larger communities in the North will be equipped with local governments representing the complete social and economic communities in their jurisdictions. There will be continuing problems and challenges in these communities, but I am convinced that the residents will now be able to play a much greater role in settling these matters in ways that are acceptable locally.



STATEMENT BY
HONOURABLE W. DARCY McKEOUGH

REGIONAL MUNICIPALITY OF SUDBURY

MR. SPEAKER:

I would like to speak briefly on this Act, which is entitled An Act to Establish the Regional Municipality of Sudbury.

The Regional Municipality of Sudbury as set out in this Act would consist of seven area municipalities responsible for local municipal functions and a regional council responsible for those municipal functions of regional significance. For the first time in any regional government in Ontario we are proposing that all planning responsibilities and all sewer and water responsibilities of the municipalities be placed at the regional level of government. In addition, solid waste disposal will also be a mandatory regional function in keeping with Ontario's increasing emphasis on environmental protection. I will say more about these functions later.

The Act also creates a regional police force and permits the regional council to take over Public Transit. Municipal hospital financing also is exclusively a regional function.

Other regional functions such as Health, Welfare, Homes for the Aged, Emergency Measures, Capital Borrowing, Appointments to Conservation Authorities and regional roads basically follow precedents established and proven in other regional governments.

All other functions not specifically designated as regional remain responsibilities of the area municipalities. Among these are garbage collection, local roads and streets, fire protection, licencing, parks and recreation, and tax collection.

Representation on the Regional Council (see map and table attached) would be ten from the City of Sudbury, two from Rayside-Balfour, two from Valley East, two from Neelon-Garson, two from Waters, one from Dowling, and one from Capreol. In addition, there would be a chairman who would initially be appointed by the Lieutenant Governor-in-Council and subsequently by the regional council itself.

Background:

This legislation represents the climax of several years of study by both the Province and public-spirited residents of the Sudbury area. In 1968 the Sudbury District Municipal Association was actively discussing regional government in response to the regional government recommendations of the Report of the Ontario Committee on Taxation. This interest,

coupled with the unique problems of the Nickel Basin area, led the Provincial Government in February of 1969 to appoint Mr. J. A. Kennedy, Chairman of the Ontario Municipal Board, to conduct a local government review. His report was published in May, 1970, and subsequently briefs on this Report were received by the Provincial Government.

On March 15th, 1971 my colleague, the Honourable Dalton Bales put forward some Local Government Reform Proposals for the Sudbury area. Further briefs were received in response to those proposals and additional dialogue took place between the Minister of Municipal Affairs and the municipalities of the Sudbury Area.

Throughout this entire period the municipalities and residents of the Sudbury area were co-operative and sincere in their efforts to find acceptable solutions to the question of municipal reform. They demonstrated patience and understanding during a rather difficult period during which the Provincial Government was making significant changes in its own structure and organization. Following this the Government reviewed the various opinions presented, and took a hard look at the unique municipal problems confronting the people of the Sudbury area.

Provincial Policy

The development of provincial policy towards municipal reform in the Sudbury Region had, in the first instance, to

reflect the basic goals and objectives for municipal reform that have been laid down by the Provincial Government. Consequently, the basic Provincial decisions regarding the structure and organization of the Sudbury Regional Government do not simply represent a collection of local opinions. Indeed, if that were the case, there could be no consistent policy at all because there has been a wide range of views expressed. Instead, the Legislation for the Sudbury Regional Government represents a deliberate attempt to construct a policy which will be adequate to the problems of the region, and yet reflect as much as possible the consensus of opinion in the Nickel Basin.

Changes in Provincial Policy during the past Year

There have been some changes in the Provincial Government's thinking on the Sudbury reforms during the past year. In March, 1971 the Government suggested the usual two-tier division of responsibilities for municipal Planning, Sewer and Water Services which have become a familiar pattern in other regional governments. However, the serious housing needs of the Sudbury Area along with the tremendous and expensive servicing problems characteristic of this part of Ontario led to a change of policy. The Government gave very serious consideration to establishing a single-tier regional municipality in the Sudbury area. However, we do not believe that the

is a sufficient degree of public acceptance for such a system at the present time. Consequently, we are continuing the two-tier approach, but with a strengthened regional structure. Placing the functions of planning, sewers and water entirely at the regional level should avoid potential duplication, and thereby speed up the planning approval process, as well as providing better control of costs. The absence of County government experience makes this an excellent area to initiate these changes. It will mean that the complexity of operating split services will be reduced in an area where experience in this regard has not had the opportunity to develop.

We are convinced as a government that in order to do an effective job in the critical field of public policy in the Sudbury Region, both now and in the future, the regional municipality should assume full control of all formal planning measures. We also believe that it will be important to give that level of local government sole control over what we consider the two key planning tools - the supply and distribution of water and the collection and treatment of sewage.

I have no doubt that the regional municipality will be under great pressure to solve all the problems in connection with water and sewer over-night. We believe the regional municipal council will have the strength and the prudence to carefully weigh the needs of the area and deal with these problems by setting sensible priorities - and be able to say

no to those demands for development in the future that are financially and environmentally unsuitable. As the region works out its priorities it will, under the Regional Municipality of Sudbury Act, be in a position to benefit from access to the tax base of the region as a whole, and choose what it considers to be equitable cost sharing arrangements for the residents of the Region.

So I believe you can see that the over-riding concern for water and sewer services was in the context of the planning of land-use. If the financial costs associated with these services are to be manageable in the future an effective planning job must be done now and on a continuing basis. We think the Regional Council is the level at which this job must be tackled in the Sudbury Region.

The members of this House should recognize that the Province in the coming years will be called upon to grant extraordinary financial assistance to this part of Ontario. Because of the difficult conditions of terrain and soil the essential provision of sewer and water services will be costly. This will mean the Province will be required to find some means to help meet these costs either through adjusted mining revenue payments, needs - resource grants or by some other means of special payments.

Policing was left indefinite in the 1971 proposals pending further study. The Ontario Police Commission has reviewed the situation and as a result we are now proposing a regional police force for the entire region. This will be more equitable than the present system in which some municipalities pay for policing while others get it "free" from the Ontario Provincial Police. In addition, a regional police force provides more consistency in policing and much greater flexibility in terms of providing reserves and achieving adequate specialization. The Regional Police system is proving itself in York and Niagara, and it is appropriate to extend this approach to policing to the Sudbury Region. The situation, which has existed for many years, where the Copper Cliff police have provided security for the properties of the International Nickel Company as well as municipal police services in several other municipalities will now be ended. INCO will provide for its own plant and mine security and these activities will now be separate from the municipal police work to be carried out by the Regional Police force.

Another feature of the Sudbury Regional Government Legislation will be the appointment, by the Lieutenant Governor-in-Council, of a chief administrative officer to serve during the years 1972 to 1976 inclusive. This action is an effort to strengthen the administrative side of the regional municipal structure. We believe that this action is essential

given the unique circumstances in the area and the lack of experience in the administration of split services.

Boundaries

The question of where boundaries should be located is always a sensitive issue in any regional government reform. This is especially true of the lower-tier consolidations which are so essential if the Provincial policy of reducing local tax imbalances, strengthening local municipalities and generally simplifying and streamlining municipal government is to be effective. The present system which promotes local tax imbalances is simply too cumbersome to make effective Provincial-municipal fiscal reform possible - hence the need for a substantial degree of municipal consolidation.

The Government of Ontario accepts its responsibility in regard to municipal consolidation. We understand the concerns and the apprehensions that municipalities have, and we recognize their viewpoint given their perspective of the municipal scene. But as a Government we have a responsibility to insist on real and tangible reforms not simply a facade of reform which would permit serious inequities in local representation and financial matters.

In this regard we have taken the position that the Town of Copper Cliff should be amalgamated with the city of Sudbury. Copper Cliff people interact with the people of Sudbury. Sudbury people as well, depend to a very considerable extent on Copper Cliff for their employment, and this interdependence simply cannot be denied. It brings with it problems such as the movement of traffic along Highway 17 which requires a common approach for a solution.

The merger of Balfour and Rayside Townships is also important. There were a number of objections from other merged areas to our earlier proposal to keep these areas separate and we believe that this consolidation will further strengthen the new Sudbury Regional Government System. We recognize the individual sense of community identification which has developed in both Balfour and Rayside. However, we firmly believe that there is sufficient similarity between these areas to warrant their merger in light of the broad provincial policy of municipal consolidation.

The merger of Dowling, Levack and Onaping also helps to achieve a stronger municipal structure by combining the resources of all three municipalities in the north-western part of the region.

Valley East, which will now consist of approximately six geographic townships-- with the addition of the currently unorganized southern half of Lumsden Township - has not been expanded further in area because we are concerned that individual area municipalities not become geographically unwieldy because they were made too large at the outset of regional government.

Capreol has not been merged with Valley East, but has been retained as a separate area municipality to provide the nucleus for including Norman and Hutton townships along Highway 545 and, of even greater significance, the potential nucleus for the inclusion of the geographic townships around Lake Wanapitaei at some future date.

This leads us into consideration of planning and environmental controls in the areas just outside the new regional boundary. By focussing all planning powers at the regional level we anticipate that the new Regional Municipality of Sudbury will get on with the job of providing adequate planning controls, and resulting environmental protection within the regional area. However, we must recognize that efforts to protect the environment and control undesirable developments within the region will increase development pressures on those areas outside the regional area. Consequently, action will be needed to deal with this new situation.

Two alternatives were open to us as we developed our policies. The first was to call for immediate inclusion of additional unorganized areas within the Regional Municipality of Sudbury. This course was rejected because there was a lack of enthusiasm for this on the part of the municipalities within the region. They were concerned that they were being given too much to do all at once, at the outset of regional government. The Provincial Government shares these concerns and does not want to place these responsibilities on the Region during its formative years.

The second alternative was to have the Province assume control on these outlying areas for the first few years with the strong possibility that some or all of this area would be added to the region at some future date after the Sudbury Area Planning Study had been completed. It is this approach which the Province has decided to adopt. The Province has important doubts about the long-term advisability of excluding from the region the Cartier area to the north-west and the Dill-Cleland area to the south-east because of potential development pressures in these areas. In addition the Lake Wanapitaci area to the north-east has an important future water source potential for the region, and probably should eventually be included in the region. We expect The Sudbury Area Planning Study, now beginning, will be looking closely at these areas and suggesting appropriate courses of action to deal with them.

Finance

Regional and Area Municipality Levies

The levy for general regional purposes will be shared among the area municipalities on the basis of weighted, equalized assessment. This is in accordance with other regional legislation and with the recommendations of the Inter-municipal Committee.

However, for some services, namely sewage and water, the Regional Council, if it so decides, may recover the costs from those area municipalities who benefit from the services. The legislation gives any aggrieved area municipality the right of appeal to the Municipal Board.

Similarly, the council of an area municipality has power under The Municipal Act to designate urban service areas. Taxpayers outside these areas will be totally or partially exempt from tax levies for the designated services.

Provincial Subsidies

Mining revenue payments will continue to be made in the area, but in future part will be paid directly to the Region, and part to the area municipalities, calculated on the respective eligible expenditures of each council. An amendment will be made to the Regulations later this year, designating

the Region and the seven area municipalities as mining municipalities. This is our present thinking on the matter, although we are open to any reasonable alternative suggestions on this.

The existing Unconditional Per Capita Grant will be replaced by per capita subsidies under The Regional Municipal Grants Act. These subsidies recognize the increased service demands frequently experienced under Regional Government, and are accordingly at a substantially higher level. The effect of this is to transfer an additional \$1½ million to the area municipalities in the region in 1973.

In addition, the Province has already undertaken a planning study in the Sudbury area, at a cost of approximately \$½ million to the Province. Arrangements will be made for this study to come under the direction of the Regional Municipality after the Council takes office.

Initial Costs and Transitional Adjustments

The Province recognizes that there are substantial non-recurring expenses in the first years of regional government, especially in an area such as Sudbury where there is no existing county organization to take over.

To help offset some of the financial burden, the Province will bear the costs of the first elections, the regional chairman's salary and the chief administrative officer's

salary from the date of their appointment until the end of their first term of office, and assistance towards studies to define regional facilities and to establish regional administrative structures.

In order to protect existing taxpayers from sudden shifts in taxation due to the new cost sharing basis for some services, provision will be made for a system of transitional adjustments. These adjustments will be calculated annually by the Minister for the transitional period of up to five years. Broadly, they will "phase-in" shifts in tax burden over the period.

Legislation also protects the existing local taxpayers by providing that any surplus or deficit existing at the end of 1972 will remain with the taxpayers who created it. Reserves are treated in a similar manner.

Assets and Liabilities

Generally speaking, assets and liabilities go with the service responsibility. Where the Region takes over a service, the legislation provides that all assets become regional, and the Region becomes responsible for any related liabilities, such as debt charges or contractual obligations.

Conclusion:

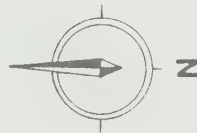
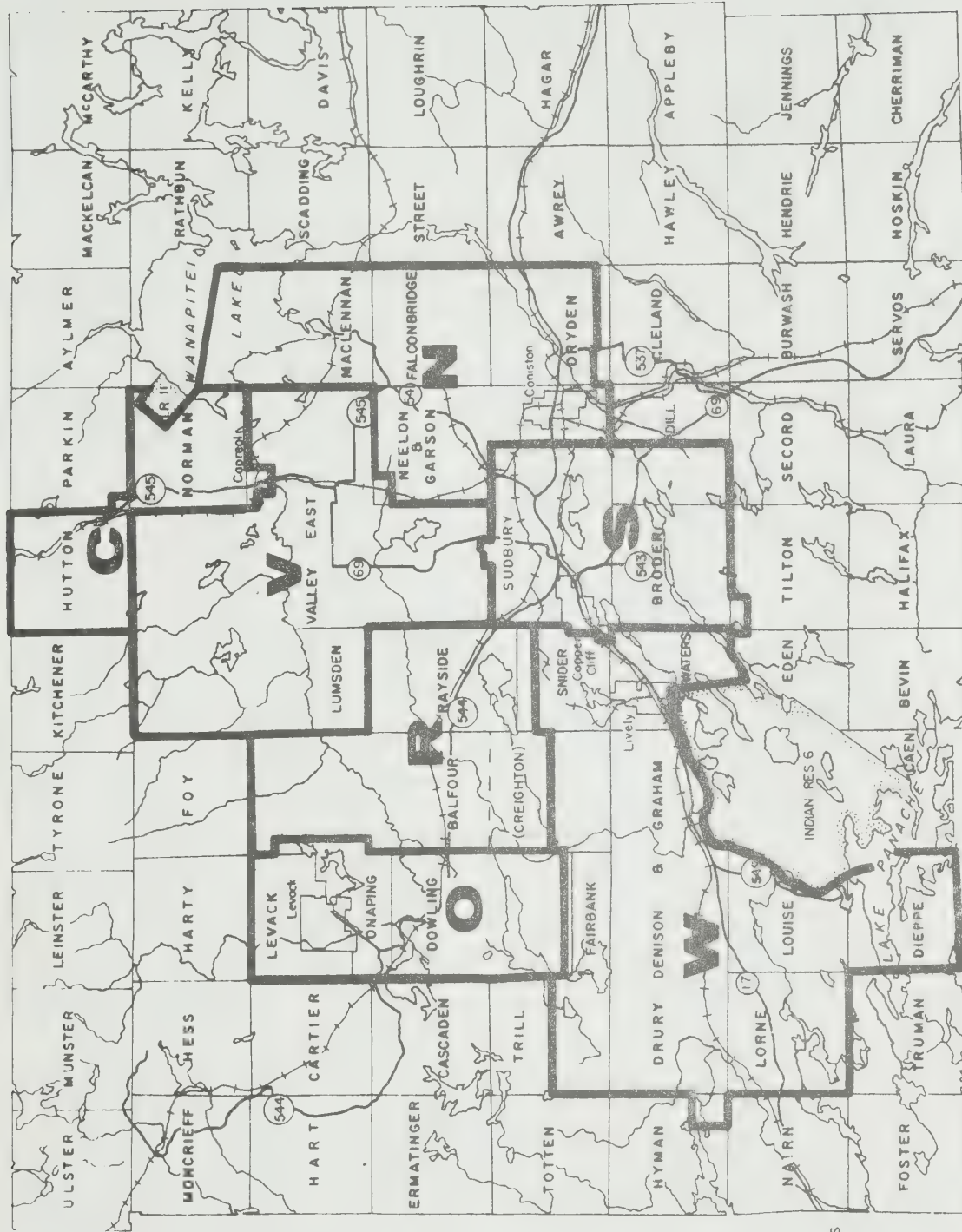
Mr. Speaker, we are confident that these proposals will provide a more effective municipal government under which the people of the Nickel Basin can work together to meet their municipal needs both now and in the future.

June 12, 1972

SUDBURYREPRESENTATION ON REGIONAL COUNCIL

AREA MUNICIPALITY	NUMBER OF REPS.	% OF TOTAL REP.	Representation	NO OF PERSONS PER REP.	APPROXIMATE POPULATION	% OF TOTAL POP.
(1) Sudbury	10	47.6	Entire Council	9,500	95,000	58.5
(2) Capreol	1	4.8	Mayor	4,000	4,000	2.5
(3) Balfour-Rayside	2	9.5	Mayor plus one	7,500	15,000	9.2
(4) Valley East	2	9.5	Mayor plus one	8,500	17,000	10.5
(5) Neelon-Garson	2	9.5	Mayor plus one	6,500	13,000	8.0
(6) Dowling	1	4.8	Mayor	7,500	7,500	4.6
(7) Waters	2	9.5	Mayor plus one	5,500	11,000	6.8
(8) Chairman	1	4.8	-	-	-	-
TOTAL	21	100.0			162,500	100.0

C CAPREOL
O ONAPING FALLS
N NICKEL CENTRE
R RAYSIDE - BALFOUR
S SUDBURY
V VALLEY EAST
W WALDEN



THE REGIONAL MUNICIPALITY OF SUDBURY

MUNICIPAL BOUNDARIES

JANUARY 1973

NOTE

THIS MAP IS PREPARED FOR PURPOSES OF CONVENIENCE ONLY, & FOR ACCURATE REFERENCE RECOURSE SHOULD BE HAD TO THE STATUTE.

Address

by

The Honourable W. Darcy McKeough

Minister,

Department of Municipal Affairs

"THE REGIONAL MUNICIPALITY OF
LINCOLN AND WELLAND"

Town of Niagara

January 23, 1969

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Ladies and Gentlemen:

I would like, at the outset, to welcome you and to thank you for being kind enough to accept my invitation to this meeting. It is most appropriate that we should meet here, in this historic town of Niagara, to discuss matters related to the form of your local government. This part of Ontario, and more particularly this town, was the cradle of local self-government in this Province. Over one-hundred and twenty-five years ago the government led by the great John Graves Simcoe established the first district councils composed of representatives of local townships. Few parts of North America have had so complete and useful a system of municipal government as was developed here. This system served us well in the nineteenth century but with diminishing returns in the twentieth century.

I think it was natural that people in this area, where our municipal history began, should be among the first to realize that the old system must be altered to meet the demands of modern times.

As you are well aware, the Niagara Peninsula, and more specifically the Counties of Lincoln and Welland, is one of the fastest growing and most rapidly changing areas in this Province. This peninsula is one of the most important corridor links in North America. By land it links the most prosperous areas of Ontario with the industrial heartland of the American northeast. Ships from all the world pass through the Welland Canal, a most important link in the world's largest inland waterway. Agriculturally this region is unique. A particular combination of land and water formations create those soil and climate conditions which are ideal for tender fruit.

The rapid economic and population growth in this region has, however, caused many of the problems facing your local governments.

This area has been fortunate, though, in having local citizens and politicians with the insight and courage to seek an effective solution. More than five years ago the municipalities of this area realized that problems accompanying rapid urban growth could no longer be remedied within the borders of a single municipality.

In 1963 a local committee known as "The Niagara Peninsula Municipal Committee on Urban and Regional Research" was formed to study the problems and consider research on the system of municipal government in the region. At that time, it was rare for a number of municipalities to get together to promote study of the overall future of their area. Undoubtedly, future generations will reap the benefits of both your ideas and your conviction that our present system of municipal government is in need of reorganization.

As a result of your initiative, Prof. Henry B. Mayo was commissioned to prepare a preliminary report on the functioning of local government units of Lincoln and Welland Counties. This research, which was supported by the Canadian Council on Urban and Regional Research, provided the guidelines for the detailed study which followed. While the preliminary report did not go into specific matters in depth, it provided the research design which eventually discovered the problems, present and emerging, involved in the government of this region.

In 1965 Dr. Mayo was appointed Chief Commissioner for the Niagara Region Local Government Review. I would like to give appropriate recognition to the contribution Dr. Mayo and the Assistant Commissioner, the late Mr. C. F. Moore, made with respect to the Niagara Local Government Review. The manner in which Dr. Mayo conducted the hearings generated a free and full discussion among the elected and appointed officials throughout the area. Through coverage of these meetings by the press, television, and radio, the public at large was further acquainted with the situation. Both the Data Book and the Report of the Commission provided us with concrete guidelines upon which we could base our changes in local government for this Region.

Although you are all probably very familiar with the Report, I would like to briefly summarize its main recommendations:-

A two-tier system of local government for the region, comprising one regional municipality and a number of lower-tier local area municipalities was recommended. According to the review, the Regional Council would be made up of the heads of councils of area municipalities, members elected at large from city and boroughs, and additional members elected at large for each 20,000 population. Dr. Mayo outlined those functions which he felt were best performed on a regional basis. However, he advised that many functions which may be defined as local should remain under the jurisdiction of the area municipalities.

Certain boundary changes were recommended by the Commission in order that an improved and more equal standard of municipal services could be provided throughout the region. Such changes would help to eliminate unnecessary duplication of services, and would allow effective physical and economic planning for the entire area.

You will recall that, when the Report had been printed and distributed to municipalities and their local boards during the summer of 1966, we requested that all concerned should make a serious study of it and submit their views and suggestions to the Department of Municipal Affairs. At the same time, a request was made to the heads of various provincial departments for their response to the Report. Although I do not have the time to discuss in detail the submissions which were received, generally speaking, the majority supported the view that some major changes in local government were necessary. Since 1966 some local government responsibilities have been subjected to change at the provincial level. You are all aware of the changes implemented by my colleague, the Honourable Wm. Davis, Minister of Education. Changes have also occurred in regard to responsibility for the administration of justice which is now under provincial jurisdiction. Locally you already have the Lincoln and Welland Health Unit.

Your consensus and our conclusions are that local government reorganization is essential in this region. There appear to be three alternatives open at this time.

The first alternative would be to do nothing. The fact that we all agree that some change is needed militates against this alternative.

As a second alternative, we might make minor and inconsequential changes which would serve to postpone the day when more fundamental decisions must be made. I suggest that, in the situation we now face, this course is equally unacceptable. Your actions and views indicate that you want a local government structure which will provide a more effective administration for the present and future citizens of this great area.

Therefore a third alternative, in which a dynamic and comprehensive reorganization will be carried out, is the only one which adequately meets the needs of the citizens of the area.

I would like to outline for you the specific list of proposals we have developed for this region. Before doing this, may I say that, as we enter this final phase of creating a new system, we want you to continue to offer the help and co-operation you have given throughout this project.

I. Principles of Reorganization.

I will first discuss the general principles that were followed in formulating this proposal.

The Counties of Lincoln and Welland, taken together, represent a compact and economically interrelated area. In deciding upon the single regional units, the government has accepted the recommendation of the Commission "that the problems of the Niagara region are too urgent to be met by the slow, and largely voluntary, strengthening of the county."

Therefore, in the Niagara area, it appears that one regional government covering both counties will be a better solution to the problems of local government than a separate region for each county.

We have accepted the following arguments put forth by the Review Commission:-

1. "The region as a whole is a unity; to leave its government divided into two would perpetuate the difficulty of co-ordination, and of treating common problems on a common basis."
2. "Problems of representation of cities on the county council would be no less acute under a two-county or two-regional government system, than under a more comprehensive regional reorganization."

Indeed, I should add that equitable representation is made far more difficult if the area has two regional governments.

3. A proposal to maintain the two counties under separate regional governments "would create substantial upheaval now, while further upheaval would eventually be required again to create one regional government."

Mr. Chairman, to quote from a statement by the Prime Minister of November 28, 1968. "The basic aim of the Government in arriving at the policy of establishing regional governments is to make local government as strong and meaningful as possible." Our objective in creating regional governments is not only to create units able to cope with the pressures now facing our municipalities, but strong enough to be potentially comparable in size and influence.

We anticipate that by being large, the regional government could be expected to bring greater objectivity, and be less subject to intense localized pressure, in matters involving public equity.

A two-tier system of municipal government, with one regional tier covering both Lincoln and Welland Counties, and a number of area municipalities within the region, is required to serve the residents of this region.

This will enable regional political issues to be debated and policies adopted for the benefit of all citizens in the area. At the same time it will be possible for the local areas to retain a good measure of independence when deciding issues which are limited to their own jurisdictions.

The area municipalities would be responsible for many of those services which the local municipalities have provided in the past, while the Regional Council would be assigned those functions and responsibilities upon which the growth and stability of the whole region depends.

We accept the recommendation made by the Review Commission "that the four cities should be within the regional government". Although the separation of cities from the county made good sense in an earlier age when the distinction between urban and rural was sharper, now the rural areas with their higher proportions of non-farm families are expecting a considerable range of urban services. Distances today, with modern automobiles and highways, must be viewed in terms of minutes rather than hours throughout an area such as this. Cities today influence areas far beyond their corporate limits. As the most populous areas, they effectively generate urbanizing trends throughout the whole region. If cities were left out, many immensely difficult questions of co-ordinating a regional government and city governments would be raised. We would in fact, perpetuate the present unfortunate conflicts of "rural" vs "urban".

For these reasons we have accepted Dr. Mayo's proposals for a two-tier single unit of regional government within which the cities of the region are included.

The new regional municipality will be called The Regional Municipality of Lincoln and Welland.

The Boundaries of Area Municipalities.

I will be referring to the area municipalities as cities, towns, or townships. Professor Mayo referred to the new municipalities as "boroughs". However, I look to you to give us the benefit of your judgment in this matter, and also in what the new municipalities should be named. Within the new region, area municipality boundaries will follow fairly closely those suggested by the Review Commission. The twenty-six existing local municipalities will be regrouped to form twelve new local municipalities. These twelve municipalities will consist of four cities, six towns and two townships.

In the majority of cases, we have followed existing municipal boundaries in drawing up the boundaries for the new municipalities. A map showing the location of these new boundaries is included in copies of this statement which will be available later this evening.

To let you visualize the changes we anticipate, I will begin by describing the new municipalities in the western part of the region.

The Township of West Lincoln will be made up of the present Townships of South Grimsby, Caistor, and Gainsborough.

The Town of Grimsby will be made up of the present Town of Grimsby and North Grimsby Township. In creating this new municipality, we have recognized the desire of local officials to consolidate these municipalities.

The question has been raised regarding the eastern or western orientation of this municipality. For the present time the municipality is included in the Regional Municipality of Lincoln and Welland. However, a final decision on whether the municipality should be part of the Hamilton-Wentworth Regional Municipality or stay with Lincoln and Welland should await a final policy decision after the report on regional government in the Hamilton-Wentworth area is brought down.

The present Town of Beamsville, Township of Clinton, and part of Louth Township will become the new Town of Beamsville. That portion of the Township of Louth west of a line approximately one and one-half miles west of St. Catharines will become part of the Town of Beamsville, and the eastern portion, part of the City of St. Catharines.

In recent years, the eastern part of Louth has been subject to great pressure from strip development and many non-farm dwellings. Pressure on this land is accelerating due to proximity to the central business district of St. Catharines and the general expansion of the city towards its western limits. Orderly development, therefore, even with an overall regional plan, calls for the western boundary of St. Catharines to be extended into Louth Township so that undesirable fringe development can be avoided.

At the moment no change will be made to the eastern boundary of St. Catharines. However, since the canal creates a rather natural division, this boundary will be re-examined when a decision is made by the Federal Government on relocating this section of the canal.

Thorold Town and most of Thorold Township will be combined to form the new Town of Thorold. Part of the south-east corner of Thorold Township will be included as part of the City of Welland. Our field studies in this area show that the concentration of residential population along Welland's northern boundary is strongly oriented to that city for both employment and commercial services.

The Town of Niagara will be made up of the present Town of Niagara and Niagara Township, subject to what has been said regarding the proposed new canal.

The present Township of Wainfleet will remain as is. Although it will have the smallest population of all local municipalities in the region, the municipality has an ample tax base. It will form a financially viable unit which is large enough so that local government responsibilities can be performed efficiently.

The Town of Fonthill and Pelham Township will be combined to create the Town of Fonthill. For the same reasons that the boundary of Welland was extended into Thorold, the eastern boundary of Fonthill will be moved to the east a distance of approximately one-half mile. The new Town of Fonthill will be a prosperous rural-residential unit. This distinctive community, backed by the regional government should be able to develop in its own individual way, and maintain its present charm and character.

Crowland Township has been divided into two parts. The western half becomes part of the City of Welland and the eastern half will become part of the City of Niagara Falls. The present population of Crowland is approximately 1,800 and this small population base with its limited financial resources means the township could not exist as an independent unit in the new regional system. The distances involved in supplying the entire township with services from either Welland or Niagara Falls mean that division of the Township is the only practical solution. Thus, the City of Welland will include, under the regional system, the western half of Crowland.

The new City of Niagara Falls will consolidate Willoughby Township, Chippawa, the eastern part of Crowland, and the City of Niagara Falls. The city is presently providing some services for parts of all three of the municipalities with which it will be combined. As the Review Commission points out, the proposed new city will have one of the best tax bases in the region, and will be well equipped to provide for the proper development of Willoughby, the orderly expansion of Chippawa, and the provision of required services in eastern Crowland.

The City of Port Colborne and Humberstone Township will be combined to form the new City of Port Colborne. Part of the township is already serviced by city water supply and the consolidation will permit orderly development and planning of the entire area.

The three municipalities of Bertie, Crystal Beach, and Fort Erie will be combined to create the Town of Fort Erie. This area is particularly subject to the problems of unplanned development. A solution will be much more readily found with the active participation of Crystal Beach and Fort Erie sitting on a common council with Bertie Township.

The number of members who will sit on the various councils has not been decided. I recommend that the councils of existing municipalities which are to be consolidated, set up joint committees to decide such matters as the size of the new council, and/or a ward system. The councils could remain as now, in regard to their composition and size, with the appropriate changes being made where boundaries have been altered. We have accepted the recommendation of the Review Commission that all terms of office for municipal councils be three years to coincide with the term of office of the Regional Council. The present School Boards for Lincoln and Welland have been elected for the two year term 1969 - 1970. We propose that the first term of the Regional Councils be for 1970 - 71 - 72. Then in 1972 a common election will be held. Prior to that time we will, by legislation, decide if it will be for a two- or three-year term.

The government is conscious of the importance of the staff of present municipalities and they will have a vital role to play in the implementation of the new system. It is our intention to include in the proposed legislation similar provisions as were made for the Ottawa - Carleton Region in regard to the continuity of employment and salaries. I concur with the suggestion made by the Commission "that the municipalities and counties might well get together, prior to the setting up of the new system, in order to resolve the questions arising from the integration of staffs".

The boundary changes I have outlined will, of course, necessitate an election for the new Area Municipality and Regional Municipality Councils before these become functional.

The internal boundaries I have outlined should not be viewed as entirely fixed. Adjustments can be made as conditions in the region change through time. Similarly, as I have mentioned in the case of Grimsby, the outer boundaries of the region may be adjusted as the system of regional governments develops in this part of the Province.

Composition of the Regional Council

The Government accepts the basic recommendation of the Review Commission that election to the Regional Council should be both direct and indirect. The Regional Council will be composed of the head of council of each area municipality and an additional representative for each 20,000 population to be directly elected. As Commissioner Mayo pointed out, this system will guarantee that every municipality has representation. At the same time, it moves a considerable degree closer to the principle of "Rep by Pop" which assures more democratic representation.

The need for continuous co-ordination between both tiers of government in the region cannot be over-emphasized. Issues facing the entire region will affect local area municipalities. Similarly, decisions made by area municipalities may often affect the region. Local water, sewers, road development and other decisions cannot be separated from related decisions at the regional level.

Although the system of ex-officio representation by the heads of local councils will increase the workload of those individuals, it will enable them to become better informed on the issues facing both regional and local levels. This should certainly improve the relationship between both tiers of local government.

The Province of Ontario will appoint the first Chairman for a term of three years. He will be a man of wide experience, one whom the citizens of the region can expect to provide the leadership -- along with his colleagues on the newly formed council -- for the successful establishment of the regional government.

After the first term, the Regional Council will, by vote of its own members, choose a Chairman. Of course, a Chairman who has served previously will be eligible for election.

I will now outline the system of representation on the Regional Council:-

I should note that we are calculating this representation on the best estimate possible of current population.

<u>New Area Municipality</u>	<u>Assessed Population</u>	<u>Representation</u>
City of St. Catharines	103,300	6. Mayor and 5 directly elected.
City of Niagara Falls	60,200	4. Mayor and 3 directly elected.
City of Welland	42,000	3. Mayor and 2 directly elected.
City of Port Colborne	22,700	2. Mayor and 1 directly elected.
Town of Fort Erie	20,900	2. Mayor and 1 directly elected.
Town of Thorold	17,000	1. Mayor
Town of Grimsby	14,100	1. Mayor
Town of Beamsville	13,100	1. Mayor
Town of Niagara	10,800	1. Mayor
Town of Fonthill	8,100	1. Mayor
Township of West Lincoln	7,300	1. Mayor
Township of Wainfleet	5,000	<u>1.</u> Mayor
		24
	Chairman	<u>1</u>
	Total	25

The election of the new regional and area-municipality councils will be held in late September of this year. Although the new councils will begin meeting in October of 1969, the present councils will continue to function until the end of 1969. This overlap will afford a smoother transition to the new system of regional government. As of January 1st, 1970, the new regional and area municipality councils will assume the full responsibility for local government in this region.

The Distribution of Functions

Initially a number of area-wide services and responsibilities including those presently provided by the counties, will be transferred to the regional council. At some later date, other services may be put at the regional level at the request of the council or with consent of a majority of area municipalities.

The following are those functions which will be the responsibility of the Regional Council:-

A. Assessment

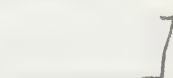
The implementation of a system of regional government will require that uniform assessment practices be instituted at the earliest possible time in order to provide more equitable sharing of costs and resources throughout the region.

B. Regional Tax Levy

The Regional Council will be responsible for making a regional tax levy which will be collected by the area municipalities. Due to the varying nature of development in area municipalities, there will be corresponding variations in the demand for services to be provided by the regional government. The variation in benefits received will be accounted for by a system of differential taxation. Some of the area municipalities which will be created are, for the most part, rural-agricultural areas which neither need, nor desire, expensive urban-type services. It is imperative that these basically rural sections be protected by careful definition of the limits of urban service areas. Thus, property owners beyond such limits will be assured of either total or partial exemption for certain selected services.

Capital Borrowing

The regional council will be given the sole authority to issue debentures for the financing of capital expenditures for either regional or local purposes. All debentures will be issued by the regional council as joint and several obligations of the local municipalities. By this means it will be possible to obtain the double advantage of securing necessary capital funds at the least cost, and providing for the establishment and continued operation of a unified, long-range capital works program. The regional government will further have the authority to control the capital budgets of the lower-tier municipalities in order that a rational setting of priorities may be achieved.



Planning

The Regional Council will be made responsible for continuing implementation of a comprehensive land use and development policy for the whole region; as in Ottawa - Carleton it will be the regional planning body. Although local planning boards have accomplished a great deal in the past with very limited staff resources, they cannot be expected to create an integrated plan which will provide the physical and economic framework for regional growth. In this region particularly, it is essential that the specialized agricultural, industrial, and residential land uses, which are competing for a limited amount of valuable space, be directed by sound and continuous planning at the regional level.

Local planning boards may continue to perform a most necessary function within their local area boundaries, but their plans and proposals must be consistent with development policies expressed in the broader plans of the regional municipality.

The interests of both levels of government in matters of planning will be so closely related that the Regional Council will naturally wish to pay close attention to the interests of area municipalities in carrying out its responsibility in planning.

E. Water Treatment and Distribution

The supply and distribution of water on a wholesale basis will be the exclusive responsibility of the Regional Council. Involved in this would be the taking over of all existing plants and facilities, and the construction and operation of additional facilities. All outstanding debts connected with these facilities, except those for local water-mains, would be assumed by the regional government. The Regional Council will have the power to set rates which will provide the revenue to cover capital, operating and maintenance costs, and reserves for depreciation. Any surpluses which are not required for the financing of this utility should afford a reduction in rates. It appears that the responsibility for local mains and distribution, including the fixing and collection of retail water rates, will be with the local councils. However, a final decision has not been made on the question of which tier will be responsible for local water distribution. This question will be investigated further in our discussions with local representatives.

F. Sewage Treatment

The design, construction and maintenance of sewage disposal plants, major sanitary and storm trunk sewers and drainage outlets, and the extension of such facilities will be the exclusive responsibility of the Regional Council. The council will be authorized to require the collection of special rates to meet all or part of the costs of construction and operation of sewage or drainage projects which afford special benefits to a particular area. This would be subject to the approval of the Ontario Municipal Board as presently required.

G. Regional Roads

The Regional Council will be responsible for the construction, repair, and maintenance of arterial roads and highways, including all existing county and suburban roads. It would also have the right to take over access to such roads and to control land use along them as is presently the right of the county council. Local area municipalities will retain the responsibility for local streets, roads and bridges where such is not assumed by the Regional Council.

H. Welfare

Welfare services presently performed by the cities and counties will become the responsibility of the Regional Council.

I. Health

The present Counties of Lincoln and Welland already constitute a single Health Unit. With the implementation of regional government, a Board of Health will be established composed of certain members of the Regional Council, appointed by the council and certain members appointed by the Lieutenant-Governor in Council upon recommendation of the Minister of Health. In regard to hospitals, may I say that, to the extent that municipalities participate in the planning and financing of hospitals, this is also a legitimate regional responsibility.

J.

Parks, Recreation and Conservation

The regional government will become responsible for regional parks and some related aspects of recreation and conservation. The parks system in this region is, at the moment, rather complex with several different agencies being responsible for parks. It will be necessary for the Regional Council to make decisions early in their operation regarding those parks which, because they serve the whole region, will be incorporated into a regional parks system. Since the present counties of Lincoln and Welland are entirely within the Niagara Peninsula Conservation Authority, municipal representation on the Authority's governing body will be from the regional government.

The Local Municipality Tier

As you can see, there are still a significant number of essential functions which will be provided by the area municipality governments. I stress again that the regional government does not replace the lower tier of local government, but does take on those functions which, for various reasons, lend themselves to regional administration and in which are reflected problems of area-wide significance. The lower-tier municipalities will thus still be responsible for such functions as fire protection, police, local streets, sidewalks, street lighting, garbage collection, local water distribution, local sewers, and local parks.

It is often the case, when changes are made to matters representing many and varied interests, that response may be mixed. How you respond depends on your personal point of view and your estimates of public opinion in the municipality you represent. May I suggest, however, that you consider this reorganization, keeping in mind the best interests of this entire area. Although the precise blueprint for reform is somewhat elastic, it is our intention to adhere to those basic principles which I have outlined.

I would propose that a local committee be formed to work with the government and, more specifically, the Department of Municipal Affairs, regarding the actual form of legislation which will create the new system of regional government for this area. This committee should meet within the next two weeks.

I recommend that this committee be comprised of the mayors of the four cities and the wardens of Lincoln and Welland, and four other representatives -- two selected by each county council.

I intend to introduce legislation to establish The Regional Municipality of Lincoln and Welland before the Easter recess, with the hope that it will be through the House and receive Royal Assent by the end of May.

You started on this road to reorganization back in 1963. I think it must be a source of some considerable satisfaction to you, as it is to me, to see the efforts you have made develop into a dynamic program for reorganization of local government in this area.

I am confident that your continued support and cooperation will make the Regional Municipality of Lincoln and Welland an outstanding success.

THE REGIONAL MUNICIPALITY OF LINCOLN & WELLAND

DEPARTMENT OF MUNICIPAL AFFAIRS, JAN. 69

NEW AREA MUNICIPALITY BOUNDARY ———
 PRESENT MUNICIPAL BOUNDARY - - - - -



STATEMENT BY

THE HONOURABLE W. DARCY MCKEOUGH

ON

AN ACT TO INCORPORATE

THE CITY OF TIMMINS-PORCUPINE

JUNE 22, 1972

Mr. Speaker:

Today I will be introducing a bill to create a new City of Timmins-Porcupine in northern Ontario. At this time I wish to make a statement on these changes to local government in this important part of the Province.

Mr. Speaker, I met with the members of Council of the existing municipalities at the McIntyre Community Centre about two weeks ago, on Monday, June 12th. There were many private citizens at the meeting, as the hall was open to the general public. I was once again impressed with the high spirit and forthright manner of speaking that typify so many residents of the North. Many of the problems that have been a continuing source of friction between the municipalities in that area were discussed at that meeting. I am optimistic that the bill that I will introduce today will unite the Porcupine community and assist the residents in dealing more effectively with their own local affairs.

This legislation will bring together all of the residents of the municipalities and settlements in the Porcupine community under one elected municipal Council. The new City, with a population of over 42,000 people will include the present Town of Timmins, the Townships of Tisdale, Mountjoy and Whitney, and twenty-four surrounding geographic townships. Thirteen of these geographic townships are presently included in the public school area; the

remaining eleven townships have no form of local government at all.

The name that I have used in referring to this legislation, that is, The City of Timmins-Porcupine, remains to be confirmed by the municipal electors at the first election. Several other names that are popular locally will be placed on the ballot and the residents will choose which name they prefer for their new municipality.

The elections for the new city Council will be held on the first Monday in October, October 2nd. The mayor will be elected at large. The election of the other members of the Council will be provided for in the legislation in a way that will best meet the opinion of the local residents. I will be suggesting to the people of the area that the experiment which was successfully attempted in the Thunder Bay area could be repeated in Timmins. If it is the wish of the local residents, I will provide that candidates for city Council must be nominated in the wards in which they reside. The actual election of members under this system would not be by wards, but would be by general vote across the whole municipality. A specific number of councillors would be elected from each ward. When I met with the Councils at the McIntyre Community Centre I proposed the following system of representation:

Two members elected from the unorganized area
One member elected from the Whitney area

One member elected from the Mountjoy area
Three members elected from the Tisdale area
Seven members elected from the Timmins area

In this way, electors in each ward have the opportunity to vote for every position on Council and those resident in the small municipalities would not be limited to a single vote for mayor and a single vote for one representative on Council.

This question requires discussion in the area. If it is not a satisfactory answer, the legislation is flexible enough to allow the conventional system of election by wards. My Ministry will provide staff to conduct the first election for the new City and the costs of this election will be assumed by the Province.

Elections for members of the school boards in the area will be adjusted to conform with the new election date of October 2nd. The school boards will be changed to conform with the new boundaries of the City by the Minister of Education.

I wish to make it clear that this legislation does not create a regional government in the Timmins area. It provides for the creation of a single city by the process of amalgamation and annexation. The legislation is therefore relatively simple in the sense that the powers and responsibilities of the municipality are determined by The Municipal Act and other general legislation to a large

extent. It will not be necessary therefore to define the powers and responsibilities of Council in this legislation.

The bill will contain provisions to assist the smooth financial transition to a larger jurisdiction. Under The Municipal Act, the Council would have the ability to define special areas within which additional levels of taxation can be applied to recover the costs of particular urban services of benefit only to the residents of these areas. If these provisions are used, they are strengthened in this bill to ensure that Council, in its first years, does not apportion a share of the costs for particular urban services to those residents of the outlying areas who receive no direct benefit from these services.

From the experience gained in other areas where major reforms in the system of local government have been instituted, the device of merged areas has been a great asset in smoothing the financial problems. Merged areas are defined to preserve the identity of each existing municipality for financial purposes, in order to identify the impact of reorganization on the ratepayers of each municipality. Any undesirable increase in the level of general municipal taxation occurring in the area of a former municipality as a direct consequence of the reorganization can thereby be controlled in the initial years.

The direct authority of Council in the City of Timmins-Porcupine will be enhanced by the elimination of

some special purpose boards and by vesting their responsibilities with Council. The Council is allocated complete responsibility for recreation and community centres.

In the same way, Council is to be provided with complete local responsibility for planning and will carry out all of the duties of a planning board under The Planning Act. The existing official plans of the present municipalities in the area have become badly outdated and frequent piece-meal amendments are detracting from the effective planning of development in the area. I will be urging the new Council to establish a high priority for the initiation of comprehensive studies directed at the preparation of a new official plan and zoning by-laws for the City. This government is ready to assist financially in these studies and my Ministry will lend technical assistance for the accomplishment of this task.

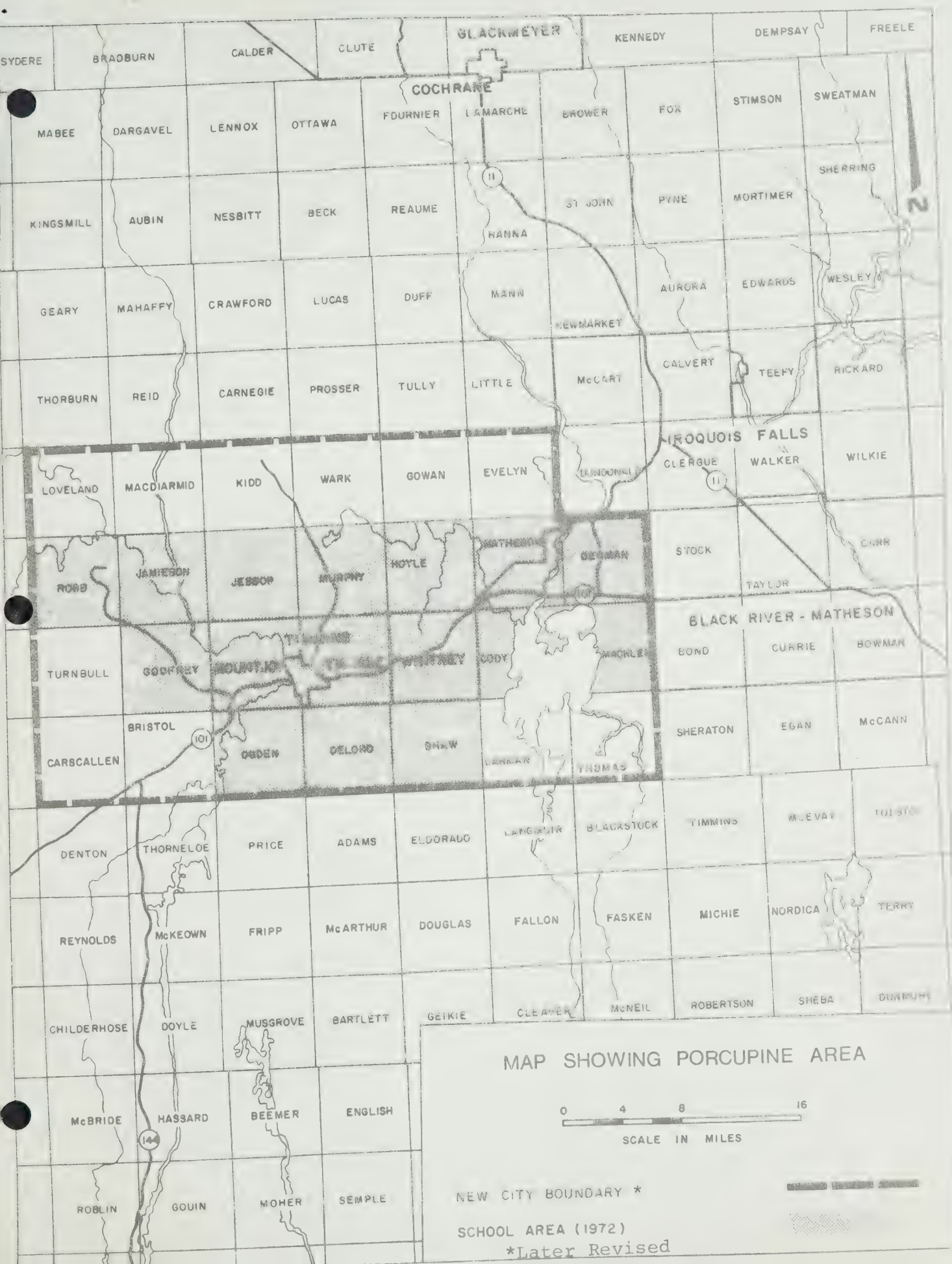
The creation of this new City and the annexation of such a large area of previously unorganized territory to it is predicated on the belief that local government is in the best position to shape and direct the development that will occur there. It is unreasonable to expect that the municipality could, within the near future, extend local services and accommodate development throughout the reorganized area. I recognize that the legislation incorporates more than 850 square miles of land that is covered to a

large extent by forests and bush. The intention is to avoid haphazard development in this area through an effective system of local government that can direct development to the most appropriate areas. The community will ultimately benefit from such policies as programs to extend public services can be geared to the financial capacity of the municipality.

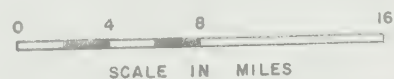
The Province as a whole will benefit if these policies are successful. Small, unplanned settlements in the North have not been able to provide for their own services and ultimately depend upon the Province to resolve their problems. There have been several recent examples where the requirements for essential public services have far outstripped the capacity of the residents to finance and administer. The assumption of these costs and responsibilities, although essential to the welfare of the residents, has not been an effective use of provincial resources. In addition, the growing extent of provincial involvement in local matters will not be easily reversed and weakens the degree and extent of the commitment to local self-government in the North.

Mr. Speaker, I am convinced that the legislation which I shall be introducing today offers to the people of Timmins and the Porcupine area a set of political institutions with which they can do much to resolve problems and

to set policies for themselves . This week, in Ottawa, I expressed a commitment by this Government to increasing the rate by which local government could be strengthened to play a greater and more effective role in meeting the needs of the citizens of this Province. The creation of a new City of Timmins-Porcupine is consistent with this statement of objectives. It provides the area with effective local self-government that will act in partnership with the Province to accomplish the design for development in this important part of the North.



MAP SHOWING PORCUPINE AREA



NEW CITY BOUNDARY *

SCHOOL AREA (1972)

*Later Revised

AMALGAMATION OF
THE LAKEHEAD

ADDRESS BY
HONOURABLE W. DARCY McKEOUGH

AT FORT WILLIAM COUNCIL CHAMBERS ON
MONDAY, JANUARY 27, 1969.

Mayor Reed, Mayor Lashin, Reeve Tronsen, and Reeve Wardrop, members of the Council and staff of Fort William, Port Arthur, Neebing and Shuniah, Ladies and Gentlemen:

My last visit to this Chamber was an occasion of considerable pleasure to me. In these Chambers I announced the government's intention to bring forward a proposal which I would present this January for amalgamation of the Lakehead Municipalities as the first step towards establishing a Regional Government in this important part of Ontario. It was the expression of support I received at that time from respective members of Council that pleased me as an indication of the fine work and co-operation of the Inter-Municipal Committee who have been meeting throughout the past summer and winter months.

When the Lakehead Local Government Review was instituted in 1965, it was one of 4 Studies undertaken in different locations of the Province where urban development beyond Cities and Towns had created inter-municipal problems of land-use, financing and the extension of public services.

Since that time, considerable progress has been made to bring about changes in the municipal structure which can more effectively meet present-day needs and provide for future growth. January 1st, of this year, marked the beginning of the Regional Municipality of Ottawa-Carleton and last Thursday I presented the proposal to the Municipal Councils of the Niagara Peninsula for a regional organization of municipal services covering the Counties of Lincoln and Welland, and the Cities of St. Catharines, Niagara Falls, Welland and Port Colborne. Also last week I made tentative proposals to the municipal representatives of Peel and Halton Counties regarding Regional Government for this area which separates Hamilton from Metro Toronto.

Now however, local government studies will go forward in keeping with the province-wide policy I had the pleasure of presenting to the Legislature on December 2, 1968, as Phase 2 of the "Design for Development" which sets out the inter-related programmes of regional government and regional economic development.

Since my Department is charged with the primary responsibility for the regional government programme, might I briefly put before you one of the fundamental considerations which will determine the changes to be made in the municipal system. I am referring to the key relationship which must be achieved and maintained for economic development and municipal purposes between the urban centre and the surrounding region. The preliminary discussions which took place at Nipigon last week, among representatives of municipalities of Thunder Bay District acknowledged the organic ties between the Lakehead and District communities. No doubt there will be further refinement of this City-District inter-dependance at the Annual meeting of the Thunder Bay Municipal League in March, and undoubtedly, more general review of the district-urban centres relationship will be taken up at the Quetico Seminar next month, when municipal representatives from the three Districts of Rainy River, Kenora and Thunder Bay will have regard for the overall criteria identified in Phase 2 of the "Design for Development".

As I have already indicated I am here to-day to present the proposals which will be included in the legislation which I intend to introduce at the forthcoming session of the Legislature.

Basically the legislation will provide for the amalgamation of the municipalities of Fort William, Port Arthur, McIntyre Township and Neebing Township. On January 1, 1970 the cities of Fort William and Port Arthur will be officially dissolved and the Townships of McIntyre and Neebing withdrawn on the same date from the municipal corporations of Shuniah and Neebing respectively. At the present time it is anticipated that the remaining portions of Shuniah and Neebing will continue in operation as separate municipal corporations.

For the purpose of our legislation we intend to call the new city The Lakehead. I would like to make it clear however that provision will be made for the final determination of the name at the same time as the elections are held for council.

In order to have the necessary preparatory work undertaken by the new council to enable The Lakehead to continue the smooth operation of local government on the change-over date of January 1, 1970 certain procedures must be carried out in the late summer and fall of this year.

The Lakehead will be incorporated as a city of August 1, 1969 and I will prepare regulations for the holding of elections for the first mayor and city council. It is expected that this election will be held on September 15, 1969.

The new council will consist of a Mayor and twelve alderman all elected at large, but provision will be made for the establishment of four wards in the new city, namely Fort William ward, McIntyre ward, Neebing ward, and Port Arthur ward. For the first and one subsequent election for council provision will be made that the electors must choose one alderman resident of the McIntyre ward, one resident of the Neebing ward, five resident in the Fort William ward and five resident in the Port Arthur ward. An additional qualification of a candidate for the first election will be residency in the appropriate ward prior to September 1, 1968. The mayor and council elected in September 1969 shall hold office until December 31, 1972 and this will put The Lakehead on the same cycle of elections as education as well as the other regional governments in the province. Whether or not future terms of council shall be of three years duration is a matter which will be reviewed at some date before re-elections are scheduled.

The new council will hold an inaugural meeting as soon as the election and subsequent procedures are complete. This meeting should be no later than three weeks after election date. The council will in the succeeding three months prepare its program and bylaws for implementation on January 1, 1970. While the council will have all the rights of a city council as soon as it is elected, the effective date of any of its resolutions and bylaws is January 1, 1970 at the earliest. Commitments made during the three month period, for example to staff, will have the same binding effect as a bylaw passed in the normal course of a council's business.

I would like to mention at this point that the staffs of the municipalities will be guaranteed an offer of employment for the year 1970 at a salary no less than they were receiving on a stipulated date in 1969 and that fringe benefits in the form of sick pay, holiday credits, and pension rights will be similarly protected, a transition which is facilitated by the Ontario Municipal Employees Retirement System.

The Lakehead will be administered under the provisions of The Municipal Act and related statutes as any other city in Ontario, except that in keeping with stated provincial policy certain boards and commissions will be dissolved and the rights and obligations for the provision of such services will be undertaken directly by the city. In The Lakehead this will mean that services such as telephone, water, transit, homes for the aged, and parks and recreation will be operated directly by council and that the boards and commissions presently providing these services will be dissolved. May I point out however that it will still be possible to utilize the special talents on advisory committees of those citizens who have in the past contributed their services on such bodies as parks and recreation boards and commissions.

The provision of hydro service will continue under a separate commission established for the new city and a Public Library Board will also remain. One planning board will be established for The Lakehead and the new city will be the designated city for the present joint planning area.

The method of administration to be established here will rest entirely in the hands of the new council. Legislation will provide sufficient flexibility to enable the council to make the decision it deems best suited for this area. I might add that with the concurrence of your inter-departmental committee a firm of consultants has been retained by the Provincial Government to assist in the relocating of staff and to make certain recommendations as to an appropriate administrative structure.

With such an amalgamation the question arises as to the disposition of assets and liabilities. I would like to make it clear that all assets and liabilities of the cities of Fort William and Port Arthur become the assets and liabilities of The Lakehead, as do all the assets and liabilities of all boards and commissions whose services are taken over by the new city. In some instances in the latter, an adjustment

of assets and liabilities will be required between the new city council and the new hydro commission. With regard to Neebing and Shuniah I look forward to the new council reaching an amicable agreement with the councils of Neebing and Shuniah as to an equitable division of assets and liabilities, and such agreement will be ratified by the Ontario Municipal Board. If however any problems arise in any division of assets and liabilities for any purpose, then the Ontario Municipal Board will be sole arbiter and its decision will be final.

Certain other questions have been raised during the past few months relating to the necessity for a Board of Control and the composition of the police commission. I would like to comment briefly on these at this time. The new council being established is relatively compact in number and the legislation will therefore provide that a Board of Control will not be mandatory in The Lakehead. With regard to the police commission I intend to recommend to the Attorney General that one of the three appointees is a private citizen of The Lakehead.

Before dealing with the financial effects of the City amalgamation and the proposals which I am going to make in this connection, it is important that I should make reference to the current re-organization of school jurisdictions which is taking place throughout the Province. In some places this will cause variations in levels of taxation for education purposes. It is too early to predict with any certainty what these effects will be within the Lakehead area, but preliminary calculations have indicated that there may be some fluctuations in the education mill rates for each of the municipalities involved. I would emphasize that these changes will take place in any case, and are not affected by the amalgamation. The financial considerations and effects which I am now going to outline are therefore confined to those which are directly the result of the amalgamation, and relate to its effect upon local taxation for general municipal purposes.

I will turn first to the residual portions of the Municipalities of Neebing and Shuniah. The transfer of the geographic township of Neebing into the Lakehead City would cause some increase in taxation in the remainder of the Municipality of Neebing, namely Crooks, Pardee and Blake. Following the principle enacted in The Municipal Act regarding compensation for undue burden resulting from annexations, the Lakehead legislation will provide for appropriate compensating grants from the new city. This will give the municipality time to adjust to the new situation. It will greatly help the taxpayers of the residual area in the initial years without seriously burdening the City taxpayers.

An examination has also been made of the likely financial effects of the amalgamation upon the residual portions of Shuniah, namely McGregor and McTavish geographic townships. This indicates that there should be no significant effects upon the tax levels in these areas. However similar compensation arrangements will be provided for, if necessary.

I should, in passing, like to refer to the current Government inquiry into the future of local government organization in Northern Ontario. The residual parts of Neebing and Shuniah could well be affected by any proposals which result from this inquiry and I will be commenting on this in a few moments.

Before going on to the general financial proposals for The Lakehead I want to deal with the particular question of highways grants which was raised some time ago. I intend to enact in the Lakehead legislation similar provisions to those relating to highways grants which are included in The Municipal Subsidies Adjustment Act. These provide for the continuation of such grants for a period of five years after an amalgamation has taken place, at the former rate of grant. Thereafter the grants are progressively reduced over a further period of five years.

Turning now to the new city, some provisions must be made to allow for the differing levels of services as between the areas of the existing cities of Fort William and Port Arthur and the areas of Neebing and Shuniah which are to be amalgamated. For the particular services of sanitation, including garbage collection, and street lighting, I intend to provide in the new city for a system of area rating. Thus owners of properties in the amalgamated areas where these services are not immediately available will not have to pay for them, but as the services are extended and made available to properties the appropriate taxes will become payable.

Even after allowance is made for the absence of these particular services, taxpayers in the amalgamated areas of Neebing and Shuniah would be liable for increases in general municipal taxation. In view of the fact that in the early years after amalgamation the standards of other general services in these areas are likely to be somewhat lower than in the rest of The Lakehead, I consider it would be equitable to provide for some relief by way of a transitional schedule of differential rating. This will take the form of a rebate from the general municipal mill rate to be levied on properties in these areas. This will be progressively reduced over a

four-year period so that by the fifth year after amalgamation the standard mill rate for general municipal purposes, excluding the services for which the proposed area rates are levied, will apply over the whole City. The effect of this provision then will be two-fold: it will compensate taxpayers in the merged areas while services are being developed, and it will lessen the impact of increases resulting from the amalgamation. It is likely that urban development over the next five years within the existing municipalities of Neebing and Shuniah would in any case have created a demand for extended urban services, particularly in the areas adjacent to Fort William and Port Arthur. The supply of these services would almost certainly have resulted in higher taxation.

After all these factors have been taken into account, together with appropriate adjustments of Provincial grants to allow for the aggregate population of the new city, it is unlikely that amalgamation will substantially affect the taxes payable initially by taxpayers in Fort William or in Port Arthur.

Uniform assessment practices will be instituted at the earliest possible time to provide an equitable sharing of costs and resources throughout the new city. Uniformity of assessment practices throughout the Thunder Bay district will be considered at the appropriate time.

As you know, the Inter-Departmental Committee on Government at the District Level in Northern Ontario, will bring forward a report in July for Cabinet consideration. I would hope and expect that the recommendations contained in that report will provide for the kind of regional organization which will afford the smaller municipalities like Shuniah and Neebing as they will be constituted in 1970, and settlements in the unorganized territories, a means to greater stability and higher standard of services. Here again, I would presume that the members of this Committee will benefit from their participation in the Quetico Seminar.

At the last meeting of the Inter-Municipal Committee, the respective members unanimously agreed to continue through the period ahead when the preparatory work must be undertaken in advance of the election in September. With the specialized help which I understand will be available from the senior personnel of the four municipalities, I am sure it will be possible to complete the survey and inventory of properties, facilities and resources and make recommendations to the incoming Council.

To all of you I express my thanks and appreciation for your attendance at this historic meeting and may I assure you of the interest we share with you in the present and future well-being of the people who live here and those who will come in the future.

Over the next two weeks, I would invite any comments or suggestions which may clarify what I have said to-day. Such suggestions should be addressed directly to me no later than February 10th.

ADDRESS BY THE
HON. DALTON BALES,
MINISTER OF MUNICIPAL AFFAIRS
TO
THE 1971 ANNUAL CONFERENCE OF THE
FEDERATION OF NORTHERN ONTARIO MUNICIPALITIES

Friday, April 30, 1971, 7:00 p
McIntyre Community Centre
Schumacher, Ontario.

IT IS A PLEASURE FOR ME TO MAKE MY FIRST OFFICIAL VISIT TO NORTHERN ONTARIO IN MY NEW JOB AS MINISTER OF MUNICIPAL AFFAIRS. THIS ANNUAL CONFERENCE OF YOUR FEDERATION PROVIDES ME WITH A WELCOME OPPORTUNITY TO MEET THE CIVIC LEADERS OF THE NORTHERN MUNICIPALITIES. I LOOK FORWARD TO RETURNING ON MANY FUTURE OCCASIONS SO THAT I CAN BECOME BETTER ACQUAINTED WITH YOU PERSONALLY AND WITH THE CHALLENGES FACED BY YOUR MUNICIPAL GOVERNMENTS.

WE IN QUEEN'S PARK RECOGNIZE THAT THE PEOPLE OF NORTHERN ONTARIO HAVE REQUIREMENTS AND ASPIRATIONS THAT ARE IN MANY WAYS UNIQUE. I THINK YOU WILL AGREE THAT, IN RECENT YEARS, WE HAVE SHOWN A GREATER AWARENESS OF YOUR PROBLEMS; AND WE HAVE RESPONDED.

IN ANOTHER SENSE, THE CHALLENGES YOU FACE ARE UNIVERSAL TO ALL AREAS OF OUR VAST PROVINCE. ONE OF THE MOST PRESSING DEMANDS THAT IS ECHOED BY EVERY MUNICIPALITY IN EVERY PART OF ONTARIO IS FOR INCREASED FUNDS TO RELIEVE THE PRESSURES OF PROPERTY TAXATION AND TO FINANCE THE PROVISION OF LOCAL SERVICES. IN THE PAST DECADE, THE OPERATING AND CAPITAL EXPENDITURES OF LOCAL GOVERNMENTS HAVE MORE THAN TRIPLED TO AN ANNUAL LEVEL OF NEARLY \$3½ BILLION.

PROVINCIAL PROGRAMS

THE GOVERNMENT OF ONTARIO HAS TAKEN A NUMBER OF DELIBERATE STEPS IN THE PAST FEW YEARS TO EASE THESE PRESSURES. THE RESIDENTIAL PROPERTY TAX REDUCTION PROGRAM, FOR EXAMPLE, WAS CREATED IN 1968 TO REDUCE LOCAL TAXES FOR THE INDIVIDUAL RATEPAYER. THIS PROGRAM IS BENEFITTING 2,300,000 ELIGIBLE HOMEOWNERS AND TENANTS THROUGHOUT ONTARIO.

WE ALSO HAVE RESPONDED TO THE SPECIAL NEEDS OF PARTICULARLY HARD-PRESSED GROUPS. THE FARM TAX REDUCTION PROGRAM WAS INTRODUCED LAST YEAR TO ALLEVIATE THE BURDEN OF TAXES ON FARMERS. A PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO THE ELDERLY WAS ALSO INITIATED LAST YEAR. THIS YEAR, A SPECIAL PROVINCIAL PROGRAM TO COUNTER UNEMPLOYMENT WAS LAUNCHED, WITH THE OBJECTIVE OF CREATING 7,500 NEW JOBS. THE EMPLOYMENT INCENTIVE PROGRAM IS A PARTNERSHIP APPROACH WITH THE MUNICIPALITIES. IN ESSENCE, IT BOILS DOWN TO YOU, AS MUNICIPALITIES, COMING UP WITH ELIGIBLE WORK PROJECTS AND THE PROVINCE PAYING LABOR COSTS.

THE VALUE TO LOCAL GOVERNMENTS OF THE PROVINCE'S REFORM MEASURES HAS GROWN TO AN EQUIVALENT OF \$352 MILLION A YEAR FOR PROPERTY TAX REBATES, INCREASED GRANTS, REDUCED LOCAL EXPENDITURE RESPONSIBILITIES AND THE REMOVAL OF PROPERTY TAXATION EXEMPTIONS ON UNIVERSITY PROPERTIES AND MINE PROCESSING FACILITIES. IN THE CURRENT FISCAL YEAR, THE VALUE OF THE REFORM PACKAGE ALONE WILL INCREASE TO \$461 MILLION.

AS PROVINCIAL TREASURER DARCY MCKEOUGH STATED IN HIS BUDGET ON MONDAY, THESE REFORMS HAVE HAD TWO IMPORTANT EFFECTS. THEY HAVE SLOWED THE ANNUAL INCREASE IN PROPERTY TAXES IN THE 1967-1970 PERIOD TO ALMOST HALF THE RATE FOR THE FIRST SEVEN YEARS OF THIS DECADE, AND, SECOND, THEY HAVE REDUCED THE TAX BURDEN ON RESIDENTIAL TAXPAYERS, ESPECIALLY NEEDY PENSIONERS AND FARMERS, RELATIVE TO COMMERCIAL AND INDUSTRIAL PROPERTIES, THUS INCREASING THE OVERALL PROGRESSIVITY OF THE PROVINCIAL-LOCAL TAX SYSTEM.

ON A BROADER SCALE, THE PROVINCE HAS INCREASED ITS TRANSFER PAYMENTS AND GRANTS TO THE MUNICIPALITIES IN AN ATTEMPT TO RELAX THE FINANCIAL TENSIONS OF PROVIDING LOCAL SERVICES. PROVINCIAL SUPPORT OF LOCAL GOVERNMENT EXPENDITURES HAS INCREASED FROM 28 PERCENT TO OVER 45 PERCENT IN THE PAST DECADE. AT THE PRESENT TIME, ONTARIO TRANSFERS MORE THAN \$1.5 BILLION ANNUALLY TO THE LOCAL LEVEL. NEARLY TWO-THIRDS OF THIS ENORMOUS SUM OF MONEY IS FOR EDUCATIONAL PURPOSES. THE REMAINING THIRD IS FINANCIAL ASSISTANCE TO LOCAL MUNICIPALITIES, DISTRICTS, COUNCILS AND BOARDS AND COMMISSIONS.

FUTURE DEVELOPMENTS

THERE ARE THREE MAIN THRUSTS TO THE FUTURE DEVELOPMENT OF ONTARIO'S REFORM IN PROVINCIAL-LOCAL FINANCE. THE FIRST IS TO INCREASE PROVINCIAL SUPPORT OF LOCAL GOVERNMENTS. WE HAVE ALREADY ANNOUNCED OUR COMMITMENT TO INCREASING THE LEVEL OF SUPPORT OF SCHOOL BOARD EXPENDITURE TO 60 PERCENT. THE TREASURER ANNOUNCED MONDAY THAT AS OF THIS YEAR, THE MUNICIPALITIES WILL BE PERMITTED TO TAX PROPERTIES OF COMMUNITY COLLEGES AND PROVINCIAL PARK LAND, PROVIDING ADDITIONAL LOCAL REVENUE.

THE SECOND MAJOR THRUST IS TO CONSOLIDATE AND SIMPLIFY THE GRANT SYSTEM. WE INTEND TO REDUCE THE NUMBER OF CONDITIONAL GRANTS TO ENABLE MUNICIPALITIES TO SPEND ON THE BASIS OF THEIR OWN PRIORITIES AND TO ENSURE THAT THEY HAVE SUFFICIENT FISCAL CAPACITY TO DO SO.

THE THIRD MAIN THRUST IS TO SECURE A MORE PROGRESSIVE PROVINCIAL-MUNICIPAL TAX SYSTEM, SOMETHING THAT IS ALREADY UNDERWAY.

THIS, THEN, IS A BRIEF SYNOPSIS OF SOME OF THE THINGS THE GOVERNMENT OF ONTARIO IS DOING, AND WILL BE DOING, IN RESPONSE TO THE FINANCIAL CHALLENGES FACING THE TAXPAYERS AND LOCAL GOVERNMENTS OF ONTARIO. THE TOTAL PROGRAM WILL BRING REAL BENEFITS IN SEVERAL WAYS TO THE MUNICIPALITIES AND PEOPLE THROUGHOUT ONTARIO.

THE CHALLENGE IN THE NORTH

WE AT QUEEN'S PARK RECOGNIZE THAT THE PEOPLE AND GOVERNMENTS OF NORTHERN ONTARIO FACE PARTICULAR CHALLENGES CREATED BY DISTANCE, BY GEOGRAPHY, BY CLIMATIC AND TOPOGRAPHIC FACTORS. WE RECOGNIZE THAT A NUMBER OF NORTHERN MUNICIPALITIES DEPEND EITHER COMPLETELY OR PARTIALLY ON MINING AND THAT THE PRESENCE OF A MINING WORK FORCE IN A MUNICIPALITY PLACES DEMANDS ON YOU FOR SERVICES AND ADEQUATE SOURCES OF REVENUE TO PROVIDE SERVICES.

TODAY I ANNOUNCED IN THE LEGISLATURE OF ONTARIO A NEW SYSTEM OF PROVIDING MINING MUNICIPALITIES WITH PROVINCIAL FUNDS TO MEET THEIR REVENUE REQUIREMENTS. TONIGHT I WOULD LIKE TO DISCUSS THE DETAILS OF THIS NEW SYSTEM WHICH IS, I BELIEVE, A MORE EQUITABLE AND RATIONAL APPROACH TO DISTRIBUTING MINING REVENUE PAYMENTS.

IT IS IMPORTANT THAT THE PHILOSOPHY AND OBJECTIVES BEHIND THIS MORE SIMPLIFIED AND EQUITABLE SYSTEM ARE PROPERLY UNDERSTOOD FOR IT IS A DISTINCT DEPARTURE FROM THE OLD FORMULA.

THE ORIGIN OF MINING REVENUE PAYMENTS

THE REASON FOR MAKING SPECIAL PAYMENTS TO MINING MUNICIPALITIES IN THE FIRST PLACE IS THAT THEY ARE DENIED, IN MOST CASES, LOCAL TAX SUPPORT FROM A MAJOR EMPLOYER. HISTORICALLY, BECAUSE OF THE NATURE OF THE INDUSTRY AND THE PROBLEMS OF DETERMINING THE VALUE OF A MINE'S PRIME ASSET - ORE IN THE GROUND- MINES HAVE BEEN EXEMPT FROM MUNICIPAL PROPERTY AND BUSINESS TAXES.

IN AN ATTEMPT TO PROVIDE A LOCAL SOURCE OF REVENUE, THE MINING MUNICIPALITIES WERE PERMITTED LONG AGO TO TAX THE NET PROFITS OF MINES LOCATED WITHIN THEIR MUNICIPAL BOUNDARIES. IN FACT, IN 1936, THE ASSESSMENT ACT WAS AMENDED TO LEGALLY DEFINE THIS TAX ON MINE PROFITS AS A FORM OF REALTY TAX.

THIS ARRANGEMENT WAS NOT VERY SATISFACTORY. MANY MINES WERE ONLY MARGINAL OPERATIONS. THE PROFIT LEVELS OF OTHER MINES TENDED TO FLUCTUATE DRAMATICALLY OVER THE YEARS. AND YET, THE MINE LABOR FORCE AND FAMILIES CONTINUED TO MAKE GROWING DEMANDS ON THE MUNICIPALITIES FOR SERVICES.

THE "OLD" FORMULA FOR CALCULATING PAYMENTS.

IN 1952, THE MINING MUNICIPALITIES SURRENDERED DIRECT TAXATION OF MINE PROFITS TO THE PROVINCE IN EXCHANGE FOR PAYMENTS FROM THE ONTARIO GOVERNMENT. THE AMOUNT OF FUNDS EACH MINING MUNICIPALITY RECEIVED FROM QUEEN'S PARK WAS BASED ON A FIXED FORMULA SET OUT IN THE ASSESSMENT ACT.

THIS FORMULA WAS RATHER COMPLEX. HOWEVER, IT EMBRACED CONCEPTS THAT ARE FUNDAMENTAL TO UNDERSTANDING THE EVOLUTION OF THE NEW SYSTEM OF PAYMENTS I WILL OUTLINE IN A FEW MINUTES.

THE FORMULA CONTAINED FOUR COMPONENTS USED TO CALCULATE THE MUNICIPAL MINES ASSESSMENT. THE COMPONENTS HAVE REMAINED MUCH THE SAME SINCE 1952, BUT THEIR RELEVANCE IN THE OVERALL FORMULA HAS BEEN ADJUSTED FROM TIME TO TIME. THE MOST VOLATILE COMPONENT WAS THE NET PROFIT OF MINES. THE OTHER THREE COMPONENTS WERE FIXED PAYMENTS PER MINER LIVING IN OR WORKING IN A MUNICIPALITY. UNDER THE FORMULA, A MINING MUNICIPALITY WAS ALLOCATED \$7,500 PER RESIDENT MINER WORKING FOR A MINE WITHIN THE MUNICIPALITY; \$5,000 PER RESIDENT MINER WORKING FOR A MINE OUTSIDE THE MUNICIPALITY; AND \$2,500 PER NON-RESIDENT MINER WHO CAME FROM ELSEWHERE TO WORK FOR A MINE WITHIN THE MUNICIPALITY.

THE VALUE OF THESE COMPONENTS WERE THEN ADDED TOGETHER AND THE RESULTING ASSESSMENT WAS MULTIPLIED BY AN ADJUSTED MILL RATE TO DETERMINE THE SIZE OF THE MINING REVENUE PAYMENT. THE ADJUSTED MILL RATE WAS THE MILL RATE PAID BY COMMERCIAL TAXPAYERS FOR MUNICIPAL AND SCHOOL PURPOSES.

AN IMPORTANT PRINCIPLE ADOPTED IN THE OLD SYSTEM OF MINING REVENUE PAYMENTS WAS THE DISTRIBUTION OF PAYMENTS TO DORMITORY MUNICIPALITIES, WHERE A SIGNIFICANT NUMBER OF MINERS LIVED BUT ACTUALLY WORKED IN A MINE OUTSIDE THE MUNICIPAL BOUNDARIES.

CRITICISMS OF THE OLD FORMULA

GENERALLY SPEAKING, THE OLD FORMULA SERVED ITS PURPOSE WELL FROM 1952 UNTIL 1969. DURING THE YEARS, HOWEVER, A NUMBER OF DIFFICULTIES AROSE.

ONE CONTINUING SOURCE OF DIFFICULTY IN THE EARLY YEARS OF THE FORMULA WAS THAT FLUCTUATIONS IN MINE PROFITS CAUSED WIDE FLUCTUATIONS IN THE SIZE OF PROVINCIAL PAYMENTS TO INDIVIDUAL MUNICIPALITIES.

A CEILING WAS PLACED ON THE SIZE OF PAYMENT AN INDIVIDUAL MUNICIPALITY COULD RECEIVE BY SPECIFYING THAT NO MINING REVENUE PAYMENT COULD EXCEED 50 PERCENT OF THE COMBINED BUDGETS OF THE MUNICIPALITY AND SCHOOL BOARD. IN OTHER CASES, A SHARP DROP IN MINE PROFITS POSED SERIOUS FINANCIAL PROBLEMS FOR A MUNICIPALITY THAT HAD UNDERTAKEN LONG-TERM AND COSTLY CAPITAL PROJECT COMMITMENTS DURING MORE PROSPEROUS YEARS. A FLOOR PAYMENT WAS INTRODUCED SPECIFYING THAT NO MUNICIPALITY WOULD RECEIVE A MINING REVENUE PAYMENT THAT WAS LESS THAN IT RECEIVED IN THE PREVIOUS YEAR. THE ONLY EXCEPTION WAS WHEN A MINE WAS CLOSED DOWN AND THE PAYMENT WAS BEING PHASED-OUT OVER A FIVE YEAR PERIOD.

A NUMBER OF OTHER DIFFICULTIES BEGAN TO APPEAR IN LATER YEARS. BUT I DON'T WANT TO SPEND THE TIME REVIEWING THESE NOW. THE MOST CRUCIAL DIFFICULTY REMAINED THAT OF THE WIDE VARIANCES THAT OCCURRED IN MINING PROFITS.

THE 1967 REPORT OF THE ONTARIO COMMITTEE ON TAXATION SAID, AND I QUOTE: " THE INCLUSION IN THE FORMULA OF MINING PROFITS OF MINES LOCATED IN THE MUNICIPALITY IS THE ELEMENT THAT IN OUR VIEW CREATES THE MOST SERIOUS INEQUITIES AND DISTORTIONS IN THE PAYMENTS. INEQUITIES OCCUR IN AS MUCH AS THE AMOUNT OF PROFIT MADE BY A MINE HAS NO RELATION TO THE DEMAND FOR MUNICIPAL SERVICES OCCASIONED BECAUSE OF THE MINE AND ITS WORKERS. THE DEMAND FOR MUNICIPAL SERVICES, COMING MOSTLY FROM THE WORKERS, MUST BE MET BY THE MUNICIPALITY IN WHICH THE MINERS RESIDE RATHER THAN THOSE IN WHICH THE MINES HAPPEN TO BE LOCATED."

THE SMITH REPORT POINTED TO ANOTHER FACTOR THAT MY DEPARTMENT HAS BEEN FOCUSSED ON IN DEVELOPING THE NEW PROGRAM - THAT THE PAYMENTS FAILED TO TAKE INTO ACCOUNT THE VARYING FISCAL IMPAIRMENT OF MINING MUNICIPALITIES CAUSED BY A LACK OF COMMERCIAL AND INDUSTRIAL ASSESSMENT.

RECENT ASSESSMENT AMENDMENTS

IN 1970, FOR THE FIRST TIME, MUNICIPALITIES WERE PERMITTED TO TAX THE PROCESSING FACILITIES OF MINES. IT WAS EXPECTED THAT THE INCREASED REVENUES THE MUNICIPALITIES RECEIVED WOULD REDUCE THEIR DEPENDENCY ON MINING REVENUE PAYMENTS. HOWEVER, IT TURNED OUT THAT THE MINING MUNICIPALITIES DID NOT GET AS MUCH OUT OF THIS NEW SOURCE OF REVENUE AS WE HAD HOPED.

BECAUSE OF THE UNCERTAINTY OVER THE IMPACT OF THE ASSESSMENT AND TAXATION OF PROCESSING FACILITIES, AND BECAUSE THERE WAS A NEED TO DEVELOP A NEW SYSTEM OF MINING REVENUE PAYMENTS, THE FIXED FORMULA WAS ABANDONED LAST YEAR. AS A TRANSITIONAL MEASURE, MINING MUNICIPALITIES WERE ARBITRARILY GIVEN PAYMENTS, WHICH IN SOME CASES WERE INCREASES OF UP TO 10 PERCENT OVER WHAT THEY RECEIVED IN 1969. CONVERSELY, SOME PAYMENTS WERE REDUCED TO COMPENSATE FOR NEW REVENUE FROM THE TAXATION OF SMELTER OPERATIONS.

THE NEW PAYMENT SYSTEM

DURING THE PAST YEAR THE OFFICIALS OF MY DEPARTMENT HAVE BEEN WORKING ON A MORE EFFICIENT AND EFFECTIVE SYSTEM OF DISTRIBUTING MINING REVENUE PAYMENTS. I SHOULD POINT OUT THAT IN A SERIES OF MEETINGS, REPRESENTATIVES OF THE ASSOCIATION OF MINING MUNICIPALITIES WERE MOST HELPFUL IN PROVIDING GUIDANCE AND ADVICE ON WHAT SHOULD, OR SHOULD NOT, BE DONE. I WOULD PARTICULARLY LIKE TO THANK THE ASSOCIATION'S NOMINEES, MR. PAT MURPHY AND MR. HAROLD BONDETT, FOR THEIR ASSISTANCE IN THIS REGARD.

I AM NOW IN A POSITION TO DISCLOSE DETAILS OF THE NEW MINING REVENUE PAYMENTS.

IT SHOULD BE NOTED THAT WE HAVE THROWN OUT THE OLD CONCEPT OF USING MINE PROFITS AS A DETERMINING FACTOR. INSTEAD, THE NEW SYSTEM CONCENTRATES ON DETERMINING THE DEMANDS MADE UPON THE INDIVIDUAL MUNICIPAL BUDGET BECAUSE OF MINING ACTIVITY. THIS CRITERION IS BASIC TO THE NEW SYSTEM.

CONSEQUENTLY, THE NUMBER OF MINERS WHO ARE RESIDENT IN THE MUNICIPALITY, REGARDLESS OF WHERE THEY WORK, IS AN IMPORTANT MODIFYING FACTOR IN THE NEW FORMULA.

HOW THE NEW FORMULA WORKS

THE FORMULA WORKS THIS WAY:

WE CALCULATE THE EQUALIZED ASSESSMENT PER CAPITA OF A MINING MUNICIPALITY. FOR 1971 PAYMENTS, THE ASSESSMENT DATA FROM 1970 WILL BE USED.

WE WILL THEN RELATE THE ASSESSMENT PER CAPITA TO A FIXED PER CAPITA ASSESSMENT OF \$10,000. IF THE ASSESSMENT PER CAPITA OF A MINING MUNICIPALITY SHOULD TOTAL \$10,000 OR MORE, THEN THE MUNICIPALITY WILL BE CONSIDERED TO HAVE NO DEFICIENCY OF REVENUE SOURCES TO MEET ITS BUDGET. IN THIS CASE, IT WOULD NOT NORMALLY RECEIVE A MINING REVENUE PAYMENT.

IN THE MAJORITY OF CASES, PRESENT MUNICIPALITIES DESIGNATED AS MINING MUNICIPALITIES WILL HAVE AN ASSESSMENT PER CAPITA OF LESS THAN \$10,000.

PERHAPS I COULD BEST ILLUSTRATE HOW THE SYSTEM WILL WORK BY USING AN EXAMPLE. IF A MUNICIPALITY HAS AN ASSESSMENT PER CAPITA OF \$8,000, THEN IT WILL HAVE A DEFICIENCY OF \$2,000 FROM THE \$10,000 STANDARD ASSESSMENT. THIS WOULD BE A 20 PERCENT DEFICIENCY AND THE MUNICIPALITY WILL BE CONSIDERED TO HAVE A 20 PERCENT DEFICIENCY OF RESOURCES TO MEET ITS EXPENDITURES. IN THIS CASE, THE GOVERNMENT OF ONTARIO WOULD PROVIDE THE MUNICIPALITY WITH A MINING REVENUE PAYMENT TO BRIDGE THAT 20 PER CENT DEFICIENCY.

THE NEXT, AND FINAL STEP, WILL BE TO DETERMINE THE NUMBER OF RESIDENT MINERS IN THE MUNICIPALITY, REGARDLESS OF WHERE THEY WORK. THE NUMBER OF RESIDENT MINERS WILL BE EXPRESSED AS A PERCENTAGE OF THE MUNICIPALITY'S POPULATION.

IF THE MUNICIPALITY HAS A MINING WORK FORCE OF 10 PERCENT OR MORE OF THE TOTAL MUNICIPAL POPULATION, THEN THE MUNICIPALITY FOR THESE PURPOSES WOULD BE CONSIDERED COMPLETELY DEPENDENT UPON MINING. IN THIS CASE, THE FULLY DEPENDENT MUNICIPALITY WILL RECEIVE A PAYMENT CALCULATED BY APPLYING THE PER CAPITA ASSESSMENT DEFICIENCY RATIO - IN MY EXAMPLE 20 PERCENT - TO THE MUNICIPALITY'S EXPENDITURES.

IF THE MUNICIPALITY HAS A MINING WORK FORCE REPRESENTING LESS THAN 10 PERCENT OF THE MUNICIPAL POPULATION, THEN THE MUNICIPALITY WILL BE CONSIDERED A PARTIALLY-DEPENDENT MINING MUNICIPALITY. FOR EXAMPLE, IF THE MUNICIPALITY HAS A 20 PERCENT REVENUE DEFICIENCY AND HAS NINE PERCENT OF ITS POPULATION WORKING IN MINING, THEN THE PAYMENT THE MUNICIPALITY WILL RECEIVE WOULD BE NINE-TENTH OF THE INITIAL GROSS DEFICIENCY SUBSIDY.

OTHER IMPORTANT FACTORS

THERE ARE A NUMBER OF OTHER IMPORTANT FACTORS OF WHICH YOU SHOULD BE AWARE. FIRST, THE 1971 PAYMENTS WILL BE BASED UPON THE 1970 MUNICIPAL EXPENDITURES AND POPULATION FIGURES. MY DEPARTMENT HAS MADE A PROVISIONAL ESTIMATE OF THE SIZE OF PAYMENTS AND WILL NOTIFY THE MINING MUNICIPALITIES OF THIS AMOUNT. THESE FIGURES ARE SUBJECT TO ADJUSTMENT ON RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR 1970.

SECOND, IN FUTURE WE WILL REQUIRE THE MUNICIPALITIES TO PROVIDE US WITH THREE-YEAR BUDGET FORECASTS TO ENABLE FORWARD PROJECTIONS OF THE COSTS OF THIS NEW FORMULA. IN ADDITION, THIS SHOULD ASSIST THE MINING-MUNICIPALITIES IN ALLOCATING RESOURCES FOR LONG-TERM CAPITAL PROJECTS. IN FUTURE, YOU CAN EXPECT THAT YOUR BUDGETS WILL UNDERGO CLOSER SCRUTINY BY MY DEPARTMENT AS THE TOTAL OF ELIGIBLE EXPENDITURES IS FUNDAMENTAL TO THE CALCULATION OF PAYMENTS.

THIRD, ALL MINING REVENUE PAYMENTS, OR DEFICIENCY SUBSIDIES, WILL GO TO THE MUNICIPAL GENERAL FUND AND WILL NO LONGER BE SHARED WITH LOCAL SCHOOL BOARDS. SCHOOL BOARDS WILL RECEIVE INCREASED GRANTS TO COMPENSATE FOR NO LONGER RECEIVING MINING REVENUE PAYMENTS. MY DEPARTMENT WILL WATCH THIS SITUATION CAREFULLY AND TAKE APPROPRIATE ACTION IF THE NEW SYSTEM OF MINING REVENUE PAYMENTS CREATES ANY SERIOUS FINANCIAL PROBLEMS.

FOURTH, THE NEW SYSTEM WILL BE PHASED-IN OVER A THREE-YEAR PERIOD TO CUSHION MUNICIPALITIES AGAINST ANY SHARP CHANGES, BOTH UPWARDS AND DOWNWARDS, IN THE SIZE OF PAYMENTS.

FIFTH, IN FUTURE MUNICIPALITIES WILL BE DESIGNATED AS MINING MUNICIPALITIES ONLY IF A MINIMUM OF $2\frac{1}{2}$ PERCENT OF THE POPULATION IS DIRECTLY INVOLVED IN MINING. THIS RESTRICTION WILL NOT AFFECT MUNICIPALITIES THAT ARE PRESENTLY DESIGNATED AS MINING MUNICIPALITIES.

THE EFFECT OF THE NEW SYSTEM

I AM SURE THE QUESTION UTMOST IN YOUR MINDS IS: WHAT IS THE NET EFFECT?

UNDER THIS PROGRAM, 65 MUNICIPALITIES ARE AFFECTED, INCLUDING FOUR COUNTIES WHICH WILL BE DESIGNATED AS MINING COUNTIES. THESE COUNTIES, INSTEAD OF RECEIVING AN APPORTIONMENT, WILL RECEIVE MINING REVENUE PAYMENTS DIRECTLY FROM THE PROVINCE. THEIR PAYMENTS WILL BE RELATED TO THE PAYMENTS RECEIVED BY THEIR CONSTITUENT MINING MUNICIPALITIES.

WHEN THE NEW SYSTEM IS FULLY IMPLEMENTED IN 1973, THE MAJORITY OF MINING MUNICIPALITIES WILL BENEFIT SIGNIFICANTLY, IN SOME CASES, PAYMENTS TO INDIVIDUAL MUNICIPALITIES WILL INCREASE BY MORE THAN \$1 MILLION A YEAR. (I MIGHT ADD THAT TIMMINS IS AMONG THE MUNICIPALITIES WHICH WILL BE BETTER OFF UNDER THE NEW SYSTEM).

IN OTHER CASES, THE SIZE OF PAYMENTS WILL BE DECREASED OR ELIMINATED ENTIRELY. HOWEVER, THE LOSSES ARE GENERALLY NOT SUBSTANTIAL. IN SOME INSTANCES, THESE MUNICIPALITIES WILL BE MORE THAN COMPENSATED BY THE INCREASED REVENUE THEY ARE NOW RECEIVING FROM THE TAXATION OF MINE PROCESSING FACILITIES.

BY 1973, WE EXPECT THE TOTAL PAYMENTS BY THE PROVINCE TO ALL MINING MUNICIPALITIES WILL TOTAL CLOSE TO \$11 MILLION, COMPARED WITH \$8.7 MILLION IN 1970. THIS YEAR, THE NEW FORMULA SHOULD PROVIDE GRANTS OF ABOUT \$8 MILLION. THE DECREASE FROM LAST YEAR HAS BEEN MORE THAN OFFSET BY INCREASED GRANTS TO BOARDS OF EDUCATION. INDEED, OUR BEST ESTIMATE IS THAT AN ADDITIONAL \$1,100,000 SHOULD FLOW TO SCHOOL BOARDS THUS PROVIDING A NET INCREASE IN PROVINCIAL GRANTS TO TAXPAYERS IN THE MINING AREAS OF 400,000.

CONCLUSION

THIS, THEN, IS THE NEW SYSTEM OF MINING REVENUE PAYMENTS. I THINK YOU WILL AGREE, ONCE YOU HAVE HAD TIME TO CONSIDER THE DETAILS, THAT IT IS A VAST IMPROVEMENT OVER THE OLD SYSTEM. IT DIRECTS FINANCIAL ASSISTANCE TO THOSE MUNICIPALITIES WHERE THE NEED FOR ADDITIONAL SOURCES OF REVENUE IS MOST URGENT. IT DIRECTS PROVINCIAL FUNDS TO THOSE MUNICIPALITIES WHICH MUST BEAR ADDITIONAL COSTS IN PROVIDING SERVICES BECAUSE OF THE INVOLVEMENT OF A SIGNIFICANT NUMBER OF LOCAL RESIDENTS IN MINING. IT DIRECTS ASSISTANCE TO A LARGE NUMBER OF NORTHERN ONTARIO MUNICIPALITIES THAT FACE ADDITIONAL COSTS IN PROVIDING SERVICES SIMPLY BECAUSE OF CLIMATIC, GEOGRAPHIC AND TOPOGRAPHIC CONDITIONS.

IN A BROADER CONTEXT, THIS NEW SYSTEM OF DEFICIENCY SUBSIDIES CAN BE SEEN AS YET ANOTHER SIGNIFICANT ATTEMPT BY THE GOVERNMENT OF ONTARIO TO INITIATE OR MODERNIZE A WIDE RANGE OF PROGRAMS DESIGNED TO EASE THE FINANCIAL PRESSURES ON OUR MUNICIPALITIES AND THE INCREASING BURDEN OF TAXES ON OUR CITIZENS.

I APPRECIATE THAT THE MINING MUNICIPALITIES ARE ANXIOUS TO COMPLETE THEIR BUDGETS , AND ACCORDINGLY, I WILL MAKE AVAILABLE THE ESTIMATED AMOUNT DUE TO INDIVIDUAL MUNICIPALITIES AFTER THIS MEETING. TWO MEMBERS OF MY STAFF ARE WITH ME AND WILL BE AVAILABLE TO REPLY TO INDIVIDUAL QUESTIONS.

THANK YOU.

ADDRESS BY
THE HON. DALTON BALES, Q.C.
MINISTER OF MUNICIPAL AFFAIRS
TO THE
NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

SIOUX LOOKOUT
FRIDAY, OCTOBER 1, 1971

PARTIAL TEXT OF SPEECH

DURING THE PAST LEGISLATIVE SESSION, I PRESENTED AND GAINED APPROVAL OF ELEVEN BILLS IN THE ONTARIO ASSEMBLY. SOME DEALT WITH HOUSEKEEPING REVISIONS TO EXISTING STATUTES. OTHERS ARE OF MAJOR CONCERN TO YOUR ASSOCIATION AND THE RESIDENTS OF YOUR MUNICIPALITIES.

AN EXAMPLE IS BILL 127, WHICH CONTAINED AMENDMENTS TO THE ASSESSMENT ACT. THE MAIN PURPOSE OF THE BILL IS TO STABILIZE MUNICIPAL TAX BASES BETWEEN NOW AND 1974.

THE GOVERNMENT WANTED TO AVOID PIECEMEAL TAX REFORM. BILL 127, THEREFORE, STABILIZES ASSESSMENTS AT 1970 RATES BETWEEN NOW AND 1974. IN 1974, THE NEW MARKET VALUE ASSESSMENT SYSTEM WILL BE INTRODUCED FOR TAXATION PURPOSES IN 1975. THIS PROVISION ENABLES US TO STUDY THE IMPACT THE NEW ASSESSMENTS WILL HAVE ON PROPERTY TAXES SO THAT WE CAN TAKE NECESSARY CORRECTIVE ACTIONS.

BILL 127 CONTAINS THREE ADDITIONAL KEY POINTS:

FIRST, THE TAXPAYER'S RIGHT OF APPEAL IS MAINTAINED AND THE APPEAL PERIOD IS EXPANDED.

SECONDLY, DURING THE STABILIZATION PERIOD, A TAX MORATORIUM IS IMPOSED ON MOST HOME IMPROVEMENTS. HOME RENOVATIONS OR ADDITIONS MUST ADD AT LEAST \$2,500 TO THE PROPERTY'S MARKET VALUE BEFORE AFFECTING THE ASSESSMENT. NORMALLY, HOME IMPROVEMENTS DO NOT INCREASE A PROPERTY'S VALUE BY AS MUCH AS THE ORIGINAL COST. A HOMEOWNER MAY BE ABLE TO SPEND \$4,000 ON HIS HOME BEFORE IT RAISES THE MARKET VALUE BY \$2,500.

A THIRD KEY POINT CONCERNS ADMINISTRATIVE PROCEDURES. I HAVE HEARD COMMENTS THAT BILL 127 WILL PLACE EXTRA DUTIES ON THE MUNICIPAL CLERK. THE GOVERNMENT HAS NO INTENTION OF REQUIRING MUNICIPALITIES TO ENLARGE THEIR STAFFS FOR A SHORT-TERM OPERATION.

IN PRACTICE, PROVINCIAL ASSESSMENT OFFICIALS WILL CARRY OUT MOST ADMINISTRATIVE TASKS ON THE CLERK'S BEHALF. FOR EXAMPLE, THE OFFICIAL ASSESSMENT ROLL FOR THE NEXT THREE YEARS WILL BE THE 1970 ROLL. CHANGES AUTHORIZED UNDER SECTION 92 OF BILL 127 WILL BE INCORPORATED DIRECTLY INTO THE ROLL BY THE MUNICIPAL CLERK OR THROUGH APPENDICES TO THE ROLL.

HOWEVER, MUNICIPALITIES WILL ALSO BE PROVIDED, UPON REQUEST, WITH A PRINT-OUT OF THE REVISED ASSESSMENT TAPE IN EACH YEAR. THE PRINT-OUT WILL INCORPORATE ASSESSMENT REVIEW COURT CHANGES SO THAT YOU HAVE A CLEAN DOCUMENT WHICH CAN BE USED FOR QUICK REFERENCE.

SECTION 92 OF THE BILL PROVIDES THAT NOTICES OF CERTAIN CHANGES ARE TO BE SENT OUT BY THE MUNICIPAL CLERK AS THE MUNICIPALITY IS THE CUSTODIAN OF THE ONLY ASSESSMENT ROLL LEGALLY IN EXISTENCE. IN FACT, THE NOTICES WILL BE PREPARED BY THE ASSESSORS.

TO ENSURE THAT MUNICIPAL OFFICES ARE NOT FLOODED WITH INQUIRIES, THE ONLY ADDRESS APPEARING ON THE NOTICES WILL BE THAT OF THE REGIONAL REGISTRAR OF THE ASSESSMENT REVIEW COURT. FURTHER, AN INSERT WILL BE SENT WITH ALL NOTICES DIRECTING ANY PERSON HAVING QUESTIONS ABOUT HIS ASSESSMENT TO CONTACT THE REGIONAL ASSESSMENT OFFICE.

SEVERAL MUNICIPALITIES ALSO HAVE EXPRESSED CONCERN THAT THEY WILL LOSE REVENUE ON SUBDIVISION OF LAND. IT IS TRUE THAT UNDER THE EXISTING LEGISLATION, WHERE THERE ARE NO ALTERATIONS TO STRUCTURES OR NEW STRUCTURES ERECTED, THE ASSESSMENT ON A PARCEL OF SUBDIVIDED LAND WILL BE THE SAME AS THE ASSESSMENT PRIOR TO THE SUBDIVISION.

HOWEVER, WHEN A PARCEL OF LAND IS REDEVELOPED WITH THE ADDITION OF A BUILDING OR STRUCTURE, THE SUPPLEMENTARY ASSESSMENT WHICH IS MADE WILL REFLECT THE DIFFERENCE BETWEEN THE ASSESSMENT ON THE ROLL AND THE AMOUNT AT WHICH THE PROPERTY SHOULD BE ASSESSED IN ORDER TO BE TREATED EQUITABLY WITH SIMILAR PROPERTY IN THE VICINITY.

ALTHOUGH THE SECTION OF THE ACT DEALING WITH THE ANNUAL CENSUS HAS BEEN REPEALED FOR THE PERIOD OF THE STABILIZATION, AN ENUMERATION WILL IN FACT BE MADE AND MUNICIPALITIES WILL CONTINUE TO BE PROVIDED WITH UP-TO-DATE INFORMATION RESULTING FROM THIS ENUMERATION.

WE AT QUEEN'S PARK RECOGNIZE THAT THE MUNICIPALITIES AND PEOPLE OF NORTHWESTERN ONTARIO HAVE NEEDS THAT ARE ESPECIALLY IMPORTANT AND UNIQUE TO THIS PART OF THE PROVINCE. WE RECOGNIZED THIS IN THE DESIGN FOR DEVELOPMENT POLICY STATEMENTS.

AS YOU KNOW THE MAIN GOALS OF OUR ECONOMIC DEVELOPMENT POLICIES FOR NORTHWESTERN ONTARIO EMPHASIZE THE CREATION OF NEW JOBS BY ENCOURAGING ECONOMIC EXPANSION IN A NUMBER OF SELECTED GROWTH AREAS; THE WIDENING OF THE REGIONAL ECONOMY; THE EXPANSION AND STRENGTHENING OF THE NATURAL RESOURCES - BASED INDUSTRIES; AND THE PROVISION OF MORE EFFECTIVE TRANSPORTATION AND COMMUNICATIONS.

IF WE ARE TO ACHIEVE THESE GOALS, WHICH YOU AND OTHERS OF THE NORTH DESIRE, STRONG PARTICIPATION AT THE FEDERAL, PROVINCIAL AND MUNICIPAL LEVELS WILL BE REQUIRED TO TRANSLATE THE DEVELOPMENT PLANS INTO ACTION.

THE GOVERNMENT OF ONTARIO MUST ENSURE EFFECTIVE PARTICIPATION BY THE PEOPLE OF THE REGION IN SHAPING THEIR OWN FUTURE.

HAVING SAID THIS WE HAVE TO ASK OURSELVES: DO LOCAL GOVERNMENTS IN THE REGION, AS PRESENTLY ORGANIZED, HAVE THE CAPACITY AND STRENGTH TO DO THE THINGS REQUIRED TO MAKE THE ECONOMIC DEVELOPMENT POLICY WORK.

TO UNDERTAKE A STUDY IN NORTHWESTERN ONTARIO WILL REPRESENT A REAL CHALLENGE AND A SIZEABLE TASK GIVEN THE GEOGRAPHIC AREA OF THE REGION AND THE CONSIDERABLE NUMBER OF MUNICIPALITIES LOCATED IN IT.

BUT I AGREE WITH YOUR ASSOCIATION'S VIEW THAT THE STUDY OF LOCAL GOVERNMENT ACROSS THE NORTH WEST IS ESSENTIAL. WE DON'T HAVE ALL THE ANSWERS.

THE DIRECTION OF ECONOMIC DEVELOPMENT WILL REQUIRE ONE KIND OF CONTINUING STUDY AND CONSIDERATION AND THAT WILL BE PURSUED BY THE DEPARTMENT OF TREASURY AND ECONOMICS WITH APPROPRIATE LOCAL BODIES.

THE STUDY I AM REFERRING TO TONIGHT WOULD CONCENTRATE ITS ACTIVITY ON THE FUNCTION AND ARRANGEMENT OF LOCAL GOVERNMENT.

THE GOVERNMENT OF ONTARIO IS COMMITTED TO A POLICY OF STRONG LOCAL GOVERNMENTS. WE BELIEVE LOCAL PEOPLE MUST HAVE THE FINANCIAL AND ADMINISTRATIVE RESOURCES AND THE DECISION-MAKING POWER TO DEVELOP THEIR COMMUNITIES ACCORDING TO THEIR OWN PRIORITIES WITHIN THE GENERAL DEVELOPMENT FRAMEWORK SET, WITH YOUR HELP, BY THE PROVINCE.

THE KIND OF DECISIONS MUNICIPAL COUNCILS
MAKE IN THE FUTURE WILL HAVE AN IMPORTANT BEARING
UPON THE SUCCESS OR FAILURE OF THE ECONOMIC
DEVELOPMENT POLICIES.

THE QUESTION WE ALL WANT ANSWERED IS: DO
MUNICIPALITIES HAVE THE BEST STRUCTURE AND ORGANIZATION
TO MAKE DECISIVE POLICY. IF THEY DO NOT, WHAT CHANGES
IN MUNICIPAL AND LOCAL GOVERNMENT ARE NECESSARY TO
THAT END.

OFFICIALS OF MY DEPARTMENT WILL EXPLORE WITH
YOUR ASSOCIATION THE SPECIFIC ARRANGEMENTS THAT A STUDY
OF LOCAL GOVERNMENT WILL REQUIRE IN NORTHWESTERN
ONTARIO. WE ARE PREPARED TO PROVIDE FINANCIAL SUPPORT
FOR SUCH A STUDY ONCE THE STUDY PROCEDURES, STAFFING AND
TERMS OF REFERENCE ARE FINALIZED.

I VALUE THE ADVICE OF YOUR ASSOCIATION AND
THE EFFORT IT IS WILLING TO MAKE IN THIS IMPORTANT
UNDERTAKING.



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